

ScotiaFunds®

Annual Report

December 31, 2018

Cash Equivalent Funds

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

Income Funds

1832 AM Investment Grade U.S. Corporate Bond Pool
Scotia Private Short Term Bond Pool
Scotia Private Short-Mid Government Bond Pool
Scotia Mortgage Income Fund
Scotia Private Floating Rate Income Pool
Scotia Conservative Fixed Income Portfolio
Scotia Bond Fund
Scotia Canadian Income Fund
Scotia Private Total Return Bond Pool
Scotia Private Canadian Corporate Bond Pool
Scotia Private Canadian Preferred Share Pool
Scotia U.S. \$ Bond Fund
Scotia Global Bond Fund
Scotia Private Global Credit Pool

Balanced Funds

Scotia Diversified Monthly Income Fund
Scotia Income Advantage Fund
Scotia Canadian Balanced Fund
Scotia Dividend Balanced Fund
Scotia Balanced Opportunities Fund
Scotia Global Balanced Fund
Scotia U.S. \$ Balanced Fund

Equity Funds

Canadian Equity Funds

Scotia Canadian Dividend Fund
Scotia Canadian Equity 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

U.S. Equity Funds

Scotia U.S. Dividend Fund
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Scotia U.S. Equity Fund
Scotia U.S. Opportunities Fund

International Equity Funds

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Scotia Private International Growth Equity Pool
Scotia Private International Core Equity Pool
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Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund

Global Equity Funds

Scotia Private Global Low Volatility Equity Pool
Scotia Global Dividend Fund
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Scotia Global Small Cap Fund
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Specialty Funds

Scotia Private Options Income Pool

Index Funds

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

Scotia Portfolios

Scotia Selected® Portfolios

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

Scotia Partners Portfolios®

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

Scotia INNOVA Portfolios®

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

Scotia Aria® Portfolios

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

Jean-François Perrault
SVP and Chief Economist
Scotiabank Economics

As long expected, global growth is set to slow in 2019. The extent of the decline is a point of tension between market analysts and economists. The decline in equity markets in the fall of 2018 and movements in certain parts of the yield curve suggested that markets held the view that a much more dramatic slowing in activity was likely than was built into consensus economic forecasts. Economists, on the other hand, have long predicted a slowdown from the strong growth rates registered in 2017-2018. Central banks in a few countries have been altering policy settings to engineer just that. That growth is expected to slow this year, and that we are seeing signs of this now is therefore not surprising. Our forecast currently calls for global growth to slow from 3.7% in 2018 to 3.5% in 2019. Where markets go from here will largely be determined by the extent to which economic fundamentals catch up to the worries of markets, or whether market worries adjust to reflect the more benign, though still weaker, economic outlook.

Who's got it right? By and large, indicators in Canada and the US so far suggest that there is still some momentum in those economies. Job growth has surprised to the upside, dramatically so in Canada and the US, early in 2019. Indicators of business sentiment, whether looking at ISM surveys or other metrics, have deteriorated, but still generally suggest that economies are growing. Scotiabank's own recession probability model for Canada, which considers a range of economic and financial variables, suggests the risk of a recession remains very low. The outlook in Europe, the UK, and China is deteriorating more visibly. Brexit-related uncertainty is unquestionably affecting the UK and European outlooks. Chinese growth is being hampered by the China-US trade conflict, and the uncertainty this is causing is prompting a broader retrenchment in Chinese output. This, in turn, is affecting the exporting economies of Europe, compounding Brexit-related influences.

Despite developments in Europe and China, we do not think a recession is likely in North America. As is

commonly said, expansions do not die of old age. Something must trigger a pronounced slowdown or a recession. In advanced economies, these factors have historically been oil price shocks and over-tightening by central banks. This is in part why markets have been so mindful of prospects for Fed policy over recent months: will the Fed tighten the economy into a recession, as central banks have done in the past? We think this is extremely unlikely given that real policy rates in the US are barely above zero and those in Canada are still negative. To trigger a recession, rates would need to rise well above our forecasts for the Fed or BoC.

The most likely trigger for a substantial markdown in global growth remains, in our view, an escalation of the China-US trade war. We have long thought the conflict was more likely to de-escalate than to ramp up, but it became clear late last year that markets were finally starting to worry about the consequences of the trade skirmish and were fearful of the way forward. An intensification of the trade conflict has the potential to impart substantial costs on the countries involved, along with the rest of the world. If this were to happen, market gloom would be validated ex-post. Signs now point more firmly to a de-escalation, or at the very least no further escalation, of the trade conflict, as US and Chinese negotiators continue to meet.

As worries over the China-US conflict wane, so does, in our view, the greatest risk to the global outlook. Uncertainty is peaking in 18Q4 and 19Q1, although other risks will remain prominent in the first months of this year – such as the Brexit saga. We believe that the risk landscape will improve through the first quarter as more certainty around China-US relations takes shape, and markets come to understand that Fed Chair Powell will not sink the US economy. As this happens, the underlying strength and resilience of the global economy will become more apparent, and central banks that were in tightening mode will likely resume doing so.

Scotia T-Bill Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	31,691,686	34,609,402
Cash	277,850	97,984
Subscriptions receivable	97,504	12,205
Accrued investment income and other	1,613	3,139
Due from Manager	1,468	726
	<u>32,070,121</u>	<u>34,723,456</u>
LIABILITIES		
Current liabilities		
Redemptions payable	4,574	32,969
Distributions payable	347	124
	<u>4,921</u>	<u>33,093</u>
Net assets attributable to holders of redeemable units	<u>32,065,200</u>	<u>34,690,363</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>32,065,200</u>	<u>34,690,363</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>10.00</u>	<u>10.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	497,727	291,921
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	497,727	291,921
Securities lending (note 11)	5,983	2,684
Total income (loss), net	<u>503,710</u>	<u>294,605</u>
EXPENSES		
Management fees (note 5)	260,586	371,772
Independent Review Committee fees	1,249	1,154
Audit fees	11,157	8,393
Custodian fees	2,803	1,159
Filing fees	14,386	18,920
Legal fees	7	36
Unitholder administration costs	45,403	89,541
Unitholder reporting costs	6,587	7,538
Other fund costs	-	6
Harmonized Sales Tax/Goods and Services Tax	36,411	33,568
Total expenses	<u>378,589</u>	<u>532,087</u>
Expenses absorbed by the Manager	<u>(107,522)</u>	<u>(288,331)</u>
Net expenses	<u>271,067</u>	<u>243,756</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>232,643</u>	<u>50,849</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>232,643</u>	<u>50,849</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.07</u>	<u>0.01</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,475,250	3,728,118

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	34,690,363	40,626,408
	<u>34,690,363</u>	<u>40,626,408</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	232,643	50,849
	<u>232,643</u>	<u>50,849</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(232,643)	(50,848)
	<u>(232,643)</u>	<u>(50,848)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	11,604,297	6,132,533
Reinvested distributions		
Series A	229,935	50,252
Payments on redemption		
Series A	(14,459,395)	(12,118,831)
	<u>(2,625,163)</u>	<u>(5,936,046)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,625,163)	(5,936,045)
	<u>(2,625,163)</u>	<u>(5,936,045)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	32,065,200	34,690,363
	<u>32,065,200</u>	<u>34,690,363</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	232,643	50,849
Adjustments for:		
Purchases of non-derivative financial assets and liabilities	(113,241,325)	(90,185,959)
Proceeds from sale of non-derivative financial assets and liabilities	116,159,041	96,129,125
Accrued investment income and other	1,526	(1,738)
Accrued expenses and other payables	-	(1,889)
Receivable for management fees rebate	(742)	(726)
Net cash provided by (used in) operating activities	<u>3,151,143</u>	<u>5,989,662</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	11,518,998	6,173,765
Amounts paid on redemption of redeemable units	(14,487,790)	(12,093,630)
Distributions to unitholders of redeemable units	(2,485)	(477)
Net cash provided by (used in) financing activities	<u>(2,971,277)</u>	<u>(5,920,342)</u>
Net increase (decrease) in cash	179,866	69,320
Cash (bank overdraft), beginning of period	97,984	28,664
CASH (BANK OVERDRAFT), END OF PERIOD	<u>277,850</u>	<u>97,984</u>
Interest received, net of withholding taxes ⁽¹⁾	495,007	290,183

(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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 36.0%			
Federal Bonds – 18.1%			
Canada Housing Trust No. 1 (Floating Rate) 1.93% Sep 15, 2019	5,800,000	5,811,600	5,813,967
Provincial Bonds – 17.9%			
Province of British Columbia (Floating Rate) 1.76% Jan 10, 2020	1,000,000	1,003,600	1,006,815
Province of Ontario Canada (Floating Rate) 1.40% Aug 26, 2019	4,700,000	4,715,180	4,720,025
		5,718,780	5,726,840
TOTAL BONDS AND DEBENTURES		11,530,380	11,540,807
MONEY MARKET INSTRUMENTS – 62.8%			
Promissory Notes – 5.1%			
Province of Alberta 0.00% Apr 04, 2019	610,000	599,563	607,250
Province of Saskatchewan 0.00% Mar 13, 2019	1,040,000	1,034,498	1,036,093
		1,634,061	1,643,343
Treasury Bills – 57.7%			
Government of Canada 0.00% Apr 04, 2019	5,265,000	5,225,002	5,240,260
Government of Canada 0.00% Apr 18, 2019	1,560,000	1,549,158	1,551,714
Government of Canada 0.00% Jan 10, 2019	1,530,000	1,520,843	1,529,418
Government of Canada 0.00% Jan 24, 2019	2,575,000	2,563,644	2,572,335
Government of Canada 0.00% Jun 13, 2019	2,935,000	2,911,843	2,911,984
Government of Canada 0.00% Mar 07, 2019	3,420,000	3,394,111	3,409,548
Province of Ontario 0.00% May 01, 2019	1,300,000	1,276,639	1,292,277
		18,441,240	18,507,536
TOTAL MONEY MARKET INSTRUMENTS		20,075,301	20,150,879
TOTAL INVESTMENT PORTFOLIO		31,605,681	31,691,686
OTHER ASSETS, LESS LIABILITIES – 1.2%			373,514
NET ASSETS – 100.0%			32,065,200

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

Scotia T-Bill Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	30,684,871	34,609,402
1-3 years	1,006,815	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	31,691,686	34,609,402

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$6,952 or approximately 0.0% (December 31, 2017 – \$11,475 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
AAA/A-1+	81.0	80.1	78.1	78.1
AA/A-1	4.1	4.0	1.4	1.4
A/A-2	14.9	14.7	20.5	20.3
Total	100.0	98.8	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. 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, 2018	December 31, 2017
Federal Bonds	18.1	-
Promissory Notes	5.1	4.9
Provincial Bonds	17.9	-
Short Term Bonds	-	42.7
Treasury Bills	57.7	52.2

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	-	11,540,807	-	11,540,807
Money market instruments	-	20,150,879	-	20,150,879
	-	31,691,686	-	31,691,686

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Premium T-Bill Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	97,657,185	142,158,897
Cash	431,523	92,839
Accrued investment income and other	4,963	12,985
Due from Manager	25,891	35,909
	<u>98,119,562</u>	<u>142,300,630</u>
LIABILITIES		
Current liabilities		
Redemptions payable	41,000	176,884
Distributions payable	8,483	4,594
	<u>49,483</u>	<u>181,478</u>
Net assets attributable to holders of redeemable units	<u>98,070,079</u>	<u>142,119,152</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	98,070,079	142,119,152
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	1,704,730	1,216,932
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,704,730	1,216,932
Securities lending (note 11)	20,514	14,617
Total income (loss), net	<u>1,725,244</u>	<u>1,231,549</u>
EXPENSES		
Management fees (note 5)	590,159	427,131
Independent Review Committee fees	1,249	1,154
Audit fees	11,157	8,459
Custodian fees	3,454	3,643
Filing fees	14,430	18,972
Legal fees	27	140
Unitholder administration costs	9,889	24,204
Unitholder reporting costs	9,707	3,639
Other fund costs	–	223
Harmonized Sales Tax/Goods and Services Tax	70,865	47,250
Total expenses	710,937	534,815
Expenses absorbed by the Manager	(367,478)	(38,403)
Net expenses	<u>343,459</u>	<u>496,412</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,381,785</u>	<u>735,137</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,381,785	735,137
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.12	0.05
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	11,815,423	15,496,822

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	142,119,152	171,698,765
	<u>142,119,152</u>	<u>171,698,765</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,381,785	735,137
	<u>1,381,785</u>	<u>735,137</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,381,785)	(735,138)
	<u>(1,381,785)</u>	<u>(735,138)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	23,845,804
Reinvested distributions		
Series A	1,301,884	702,217
Payments on redemption		
Series A	(45,350,957)	(54,127,633)
	<u>(44,049,073)</u>	<u>(29,579,612)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(44,049,073)	(29,579,613)
	<u>(44,049,073)</u>	<u>(29,579,613)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	98,070,079	142,119,152
	<u>98,070,079</u>	<u>142,119,152</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,381,785	735,137
Adjustments for:		
Purchases of non-derivative financial assets and liabilities	(279,014,300)	(391,450,648)
Proceeds from sale of non-derivative financial assets and liabilities	323,516,012	420,911,903
Accrued investment income and other	8,022	(7,121)
Accrued expenses and other payables	–	(8,101)
Receivable for management fees rebate	10,018	587
Net cash provided by (used in) operating activities	45,901,537	30,181,757
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	–	23,849,804
Amounts paid on redemption of redeemable units	(45,486,841)	(53,965,405)
Distributions to unitholders of redeemable units	(76,012)	(30,702)
Net cash provided by (used in) financing activities	(45,562,853)	(30,146,303)
Net increase (decrease) in cash	338,684	35,454
Cash (bank overdraft), beginning of period	92,839	57,385
CASH (BANK OVERDRAFT), END OF PERIOD	<u>431,523</u>	<u>92,839</u>
Interest received, net of withholding taxes ⁽¹⁾	1,712,752	1,209,811

(1) Classified as operating items.

Scotia Premium T-Bill Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 37.2%			
Federal Bonds – 19.4%			
Canada Housing Trust No. 1 (Floating Rate) 1.93% Sep 15, 2019	19,000,000	19,038,000	19,045,755
Provincial Bonds – 17.8%			
Province of British Columbia (Floating Rate) 1.76% Jan 10, 2020	3,600,000	3,612,960	3,624,535
Province of Ontario Canada (Floating Rate) 1.40% Aug 26, 2019	13,800,000	13,844,575	13,858,795
		17,457,535	17,483,330
TOTAL BONDS AND DEBENTURES		36,495,535	36,529,085
MONEY MARKET INSTRUMENTS – 62.3%			
Promissory Notes – 5.4%			
Province of Alberta 0.00% Apr 04, 2019	2,170,000	2,132,871	2,160,218
Province of Saskatchewan 0.00% Mar 13, 2019	3,175,000	3,158,204	3,163,075
		5,291,075	5,323,293
Treasury Bills – 56.9%			
Government of Canada 0.00% Apr 04, 2019	16,110,000	15,987,607	16,034,298
Government of Canada 0.00% Apr 18, 2019	4,725,000	4,692,161	4,699,902
Government of Canada 0.00% Jan 10, 2019	6,480,000	6,441,913	6,477,534
Government of Canada 0.00% Jan 24, 2019	8,660,000	8,621,809	8,651,037
Government of Canada 0.00% Jun 13, 2019	4,900,000	4,861,339	4,861,575
Government of Canada 0.00% Mar 07, 2019	10,540,000	10,460,212	10,507,787
Province of Ontario 0.00% May 01, 2019	4,600,000	4,517,338	4,572,674
		55,582,379	55,804,807
TOTAL MONEY MARKET INSTRUMENTS		60,873,454	61,128,100
TOTAL INVESTMENT PORTFOLIO		97,368,989	97,657,185
OTHER ASSETS, LESS LIABILITIES – 0.5%			412,894
NET ASSETS – 100.0%			98,070,079

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

Scotia Premium T-Bill Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	94,032,650	142,158,897
1-3 years	3,624,535	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	97,657,185	142,158,897

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$16,695 or approximately 0.0% (December 31, 2017 – \$47,723 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
AAA/A-1+	81.1	80.8	77.3	77.4
AA/A-1	4.7	4.7	1.5	1.5
A/A-2	14.2	14.1	21.2	21.2
Total	100.0	99.6	100.0	100.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Federal Bonds	19.4	20.8
Promissory Notes	5.4	5.1
Provincial Bonds	17.8	21.2
Short Term Bonds	-	1.5
Treasury Bills	56.9	51.5

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	-	36,529,085	-	36,529,085
Money market instruments	-	61,128,100	-	61,128,100
	-	97,657,185	-	97,657,185

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Money Market Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,101,990,626	1,237,504,941
Cash	97,320	2,179,428
Subscriptions receivable	1,469,414	6,910,836
Accrued investment income and other	65,600	133,522
Due from Manager	10,557	9,416
	<u>1,103,633,517</u>	<u>1,246,738,143</u>
LIABILITIES		
Current liabilities		
Redemptions payable	996,857	3,012,573
Distributions payable	12,131	8,134
	<u>1,008,988</u>	<u>3,020,707</u>
Net assets attributable to holders of redeemable units	<u>1,102,624,529</u>	<u>1,243,717,436</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	174,576,253	193,552,821
Advisor Series	150,399	211,015
Series I	6,579,958	–
Series K	6,016,618	1,709,996
Series M	869,500,019	985,433,286
Premium Series	45,801,282	62,810,318
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.00	10.00
Advisor Series	10.00	10.00
Series I	10.00	–
Series K	10.00	10.00
Series M	10.00	10.00
Premium Series	10.00	10.00

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	22,198,905	14,997,206
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	22,198,905	14,997,206
Securities lending (note 11)	1,384	10,431
Total income (loss), net	<u>22,200,289</u>	<u>15,007,637</u>
EXPENSES		
Management fees (note 5)	1,832,343	2,615,743
Independent Review Committee fees	1,249	1,154
Interest expense and bank overdraft charges	16,477	4,763
Audit fees	11,157	8,869
Custodian fees	12,126	34,421
Filing fees	20,672	35,107
Legal fees	268	1,001
Unitholder administration costs	240,138	355,054
Unitholder reporting costs	110,955	17,201
Other fund costs	–	202
Harmonized Sales Tax/Goods and Services Tax	230,545	228,621
Total expenses	2,475,929	3,302,136
Expenses absorbed by the Manager	(367,904)	(947,516)
Net expenses	<u>2,108,025</u>	<u>2,354,620</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>20,092,264</u>	<u>12,653,017</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,864,927	727,201
Advisor Series	1,118	869
Series I	617,480	–
Series K	65,592	11,895
Series M	16,767,212	11,308,428
Premium Series	775,935	604,624
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.10	0.03
Advisor Series	0.07	0.03
Series I	0.12	–
Series K	0.18	0.12
Series M	0.17	0.11
Premium Series	0.14	0.08
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	18,329,290	20,853,519
Advisor Series	16,877	28,850
Series I	5,129,318	–
Series K	358,410	100,450
Series M	97,560,592	103,129,028
Premium Series	5,464,605	7,780,753

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

Scotia Money Market Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	193,552,821	218,470,612
Advisor Series	211,015	450,468
Series K	1,709,996	1,004
Series M	985,433,286	1,038,195,157
Premium Series	62,810,318	95,808,916
	<u>1,243,717,436</u>	<u>1,352,926,157</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,864,927	727,201
Advisor Series	1,118	869
Series I	617,480	-
Series K	65,592	11,895
Series M	16,767,212	11,308,428
Premium Series	775,935	604,624
	<u>20,092,264</u>	<u>12,653,017</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,864,903)	(727,202)
Advisor Series	(1,118)	(869)
Series I	(617,480)	-
Series K	(65,596)	(11,895)
Series M	(16,767,227)	(11,308,427)
Premium Series	(775,940)	(604,623)
	<u>(20,092,264)</u>	<u>(12,653,016)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	93,937,651	106,043,342
Series I	55,500,000	-
Series K	5,558,092	1,822,600
Series M	1,629,395,269	2,177,123,387
Premium Series	19,800	22,967
Reinvested distributions		
Series A	1,759,496	706,676
Advisor Series	1,118	869
Series I	617,475	-
Series K	65,593	11,895
Series M	16,533,879	11,137,999
Premium Series	746,272	585,357
Payments on redemption		
Series A	(114,673,739)	(131,667,808)
Advisor Series	(61,734)	(240,322)
Series I	(49,537,517)	-
Series K	(1,317,059)	(125,503)
Series M	(1,761,862,400)	(2,241,023,258)
Premium Series	(17,775,103)	(33,606,923)
	<u>(141,092,907)</u>	<u>(109,208,722)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(18,976,568)	(24,917,791)
Advisor Series	(60,616)	(239,453)
Series I	6,579,958	-
Series K	4,306,622	1,708,992
Series M	(115,933,267)	(52,761,871)
Premium Series	(17,009,036)	(32,998,598)
	<u>(141,092,907)</u>	<u>(109,208,721)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	174,576,253	193,552,821
Advisor Series	150,399	211,015
Series I	6,579,958	-
Series K	6,016,618	1,709,996
Series M	869,500,019	985,433,286
Premium Series	45,801,282	62,810,318
	<u>1,102,624,529</u>	<u>1,243,717,436</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	20,092,264	12,653,017
Adjustments for:		
Purchases of non-derivative financial assets and liabilities	(6,932,009,019)	(6,564,025,419)
Proceeds from sale of non-derivative financial assets and liabilities	7,067,523,334	6,677,899,469
Accrued investment income and other	67,922	(49,348)
Accrued expenses and other payables	-	(20,544)
Receivable for management fees rebate	(1,141)	(9,416)
Net cash provided by (used in) operating activities	<u>155,673,360</u>	<u>126,447,759</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,789,760,293	2,282,257,308
Amounts paid on redemption of redeemable units	(1,947,151,328)	(2,406,322,670)
Distributions to unitholders of redeemable units	(364,433)	(206,536)
Net cash provided by (used in) financing activities	<u>(157,755,468)</u>	<u>(124,271,898)</u>
Net increase (decrease) in cash	(2,082,108)	2,175,861
Cash (bank overdraft), beginning of period	2,179,428	3,567
CASH (BANK OVERDRAFT), END OF PERIOD	<u>97,320</u>	<u>2,179,428</u>
Interest paid ⁽¹⁾	16,477	4,763
Interest received, net of withholding taxes ⁽¹⁾	22,266,827	14,947,858

⁽¹⁾ Classified as operating items.

Scotia Money Market Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 10.9%				MONEY MARKET INSTRUMENTS (cont'd)			
Municipal Bonds – 2.4%				Short Term Bonds – 44.9%			
City of Toronto 4.50% Dec 02, 2019	25,570,000	26,127,244	26,181,846	Bank of Montreal (Floating Rate) 1.60% Apr 11, 2019	44,000,000	44,148,368	44,283,728
Provincial Bonds – 8.5%				Bank of Nova Scotia, The (Floating Rate) 2.22% Apr 02, 2020 [†]	7,000,000	7,002,590	7,040,728
Province of Manitoba (Floating Rate) 1.22% Apr 02, 2019	18,925,000	18,983,634	19,034,201	Bank of Nova Scotia, The 2.46% Mar 14, 2019 [†]	37,500,000	37,622,690	37,802,261
Province of New Brunswick Canada (Floating Rate) 1.42% Aug 01, 2019	20,000,000	20,078,000	20,100,405	BMW Canada Inc. (Floating Rate) 2.35% Jun 14, 2019	18,600,000	18,656,748	18,671,981
Province of Ontario Canada (Floating Rate) 1.40% Aug 26, 2019	54,700,000	54,881,251	54,880,737	Canadian Imperial Bank of Commerce (Floating Rate) 1.76% Feb 07, 2020	45,800,000	45,799,771	45,955,040
		93,942,885	94,015,343	Federation des Caisses Desjardins du Quebec (Floating Rate) 2.05% Aug 22, 2019	9,400,000	9,400,000	9,423,302
TOTAL BONDS AND DEBENTURES		120,070,129	120,197,189	Federation des Caisses Desjardins du Quebec (Floating Rate) 2.32% Nov 22, 2019	16,100,000	16,100,000	16,140,556
MONEY MARKET INSTRUMENTS – 89.2%				Genesis Trust II 2.43% May 15, 2019	45,720,000	45,786,512	45,892,185
Bankers' Acceptances – 1.5%				Honda Canada Finance Inc. (Floating Rate) 2.33% Jun 07, 2019	26,333,000	26,425,802	26,434,774
Bank of America Corporation 0.00% Jan 08, 2019	8,700,000	8,677,467	8,696,644	John Deere Canada Funding Inc. 1.75% Jan 28, 2019	4,479,000	4,472,046	4,511,672
Bank of America Corporation 0.00% Jan 30, 2019	2,400,000	2,392,104	2,396,052	John Deere Canada Funding Inc. 2.35% Jun 24, 2019	20,592,000	20,650,275	20,629,163
Royal Bank of Canada 0.00% Mar 04, 2019	5,170,000	5,119,799	5,152,514	National Bank of Canada (Floating Rate) 1.76% Jun 11, 2019	45,655,000	45,655,000	45,712,976
		16,189,370	16,245,210	NAV Canada 5.30% Apr 17, 2019	24,395,000	25,093,942	24,885,869
Bearers' Deposit Notes – 2.6%				Nissan Canada Financial Services Inc. (Floating Rate) 2.50% Apr 09, 2019	11,120,000	11,129,922	11,189,467
Manulife Bank of Canada 0.00% Mar 06, 2019	8,890,000	8,843,328	8,856,811	Royal Bank of Canada (Floating Rate) 1.59% Apr 09, 2019	1,415,000	1,421,232	1,424,034
Manulife Bank of Canada 0.00% Mar 07, 2019	3,525,000	3,492,711	3,512,124	Royal Bank of Canada (Floating Rate) 1.73% Apr 09, 2019	4,000,000	4,000,000	4,005,253
Manulife Bank of Canada 0.00% May 01, 2019	11,000,000	10,878,670	10,917,742	Royal Bank of Canada (Floating Rate) 1.94% Aug 01, 2019	30,000,000	30,000,000	30,052,442
Manulife Bank of Canada 0.00% May 08, 2019	5,000,000	4,943,300	4,960,435	Royal Bank of Canada 2.35% Dec 09, 2019	5,000,000	4,992,700	5,000,186
		28,158,009	28,247,112	Toronto Hydro Corporation 4.49% Nov 12, 2019	24,900,000	25,365,504	25,463,226
Commercial Paper – 30.0%				Toronto-Dominion Bank, The (Floating Rate) 1.73% Jul 31, 2019	46,000,000	45,998,735	46,172,531
AltaLink, LP 0.00% Jan 02, 2019	9,720,000	9,685,753	9,719,438	Toyota Credit Canada Inc. 2.48% Nov 19, 2019	24,388,000	24,365,456	24,438,168
AltaLink, LP 0.00% Jan 29, 2019	14,070,000	14,018,749	14,046,724			494,087,293	495,129,542
Enbridge Pipelines Inc. 0.00% Jan 04, 2019	25,935,000	25,879,168	25,930,420	Treasury Bills – 5.0%			
FortisBC Energy Inc. 0.00% Feb 26, 2019	6,000,000	5,968,260	5,980,029	Province of Newfoundland and Labrador 0.00% Mar 21, 2019	35,000,000	34,853,350	34,855,183
FortisBC Energy Inc. 0.00% Feb 28, 2019	8,000,000	7,961,120	7,974,080	Province of Newfoundland and Labrador 0.00% Mar 28, 2019	20,000,000	19,909,400	19,910,441
FortisBC Energy Inc. 0.00% Jan 07, 2019	1,265,000	1,261,243	1,264,567			54,762,750	54,765,624
FortisBC Energy Inc. 0.00% Jan 28, 2019	5,800,000	5,770,744	5,791,106	TOTAL MONEY MARKET INSTRUMENTS		979,952,181	981,793,437
FortisBC Energy Inc. 0.00% Mar 27, 2019	7,000,000	6,963,250	6,963,677	TOTAL INVESTMENT PORTFOLIO		1,100,022,310	1,101,990,626
Greater Toronto Airports Authority 0.00% Feb 07, 2019	6,200,000	6,166,954	6,186,564	OTHER ASSETS, LESS LIABILITIES – (0.1%)			633,903
Greater Toronto Airports Authority 0.00% Mar 13, 2019	1,120,000	1,113,762	1,115,238	NET ASSETS – 100.0%			1,102,624,529
Husky Energy Inc. 0.00% Feb 06, 2019	4,000,000	3,978,560	3,991,328				
Husky Energy Inc. 0.00% Mar 01, 2019	21,600,000	21,483,360	21,521,798	Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.			
Imperial Oil Ltd. 0.00% Jan 10, 2019	18,000,000	17,986,140	17,991,090	[†] Investment in related party (note 10)			
Inter Pipeline (Corridor) Inc. 0.00% Feb 01, 2019	6,800,000	6,765,277	6,787,414				
Inter Pipeline (Corridor) Inc. 0.00% Feb 06, 2019	155,000	154,237	154,665				
Inter Pipeline (Corridor) Inc. 0.00% Feb 07, 2019	8,100,000	8,056,017	8,082,117				
Inter Pipeline (Corridor) Inc. 0.00% Feb 08, 2019	8,600,000	8,552,786	8,580,499				
Inter Pipeline (Corridor) Inc. 0.00% Feb 25, 2019	1,040,000	1,034,405	1,036,542				
Lower Mattagami Energy Limited Partnership 0.00% Jan 08, 2019	25,170,000	25,122,428	25,159,908				
Nestlé Capital Canada Ltd. 0.00% Feb 19, 2019	25,475,000	25,359,635	25,403,250				
Nissan Canada Financial Services Inc. 0.00% Jan 07, 2019	2,640,000	2,633,664	2,639,073				
Nissan Canada Financial Services Inc. 0.00% Jan 10, 2019	5,000,000	4,986,900	4,997,258				
Nissan Canada Financial Services Inc. 0.00% Jan 11, 2019	7,000,000	6,983,550	6,995,671				
Nova Scotia Power Inc. 0.00% Jan 02, 2019	2,700,000	2,695,680	2,699,840				
Nova Scotia Power Inc. 0.00% Jan 04, 2019	13,000,000	12,972,180	12,997,744				
Nova Scotia Power Inc. 0.00% Jan 10, 2019	3,000,000	2,993,460	2,998,409				
Omers Finance Trust 0.00% Feb 08, 2019	5,200,000	5,172,884	5,188,748				
Omers Finance Trust 0.00% Feb 20, 2019	7,600,000	7,559,568	7,578,026				
Omers Finance Trust 0.00% Jan 04, 2019	1,500,000	1,497,375	1,499,746				
Omers Finance Trust 0.00% Mar 04, 2019	12,006,000	11,942,969	11,962,579				
Omers Finance Trust 0.00% Mar 05, 2019	16,600,000	16,512,850	16,538,995				
Omers Finance Trust 0.00% Mar 11, 2019	2,000,000	1,989,380	1,991,947				
Ontario Teachers Financial Trust 0.00% Feb 11, 2019	10,770,000	10,711,440	10,745,568				
Ontario Teachers Financial Trust 0.00% Mar 12, 2019	33,000,000	32,801,010	32,868,592				
Ontario Teachers Financial Trust 0.00% Mar 22, 2019	5,000,000	4,975,950	4,976,246				
		329,710,708	330,358,896				
Promissory Notes – 5.2%							
Province of British Columbia 0.00% Apr 12, 2019	52,350,000	52,070,451	52,073,192				
Province of Saskatchewan 0.00% Apr 11, 2019	5,000,000	4,973,600	4,973,861				
		57,044,051	57,047,053				

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 investment 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	1,048,994,858	1,134,980,026
1-3 years	52,995,768	102,524,915
3-5 years	—	—
5-10 years	—	—
> 10 years	—	—
	1,101,990,626	1,237,504,941

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$711,834 or approximately 0.1% (December 31, 2017 – \$664,371 or approximately 0.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
AAA/A-1+	22.1	22.2	16.4	16.2
AA/A-1	50.7	50.8	51.0	50.9
A/A-2	24.6	24.6	27.9	27.8
BBB	2.3	2.3	—	—
NOT RATED	—	—	4.7	4.6
Total	99.7	99.9	100.0	99.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Bankers' Acceptances	1.5	4.0
Bearers' Deposit Notes	2.6	1.2
Commercial Paper	30.0	25.9
Municipal Bonds	2.4	—
Promissory Notes	5.2	1.1
Provincial Bonds	8.5	—
Short Term Bonds	44.9	64.9
Treasury Bills	5.0	2.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	—	120,197,189	—	120,197,189
Money market instruments	—	981,793,437	—	981,793,437
	—	1,101,990,626	—	1,101,990,626

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia U.S. \$ Money Market Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
	U.S. \$	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	83,890,844	55,443,810
Cash	87,414	99,055
Subscriptions receivable	210	200,000
Accrued investment income and other	180,890	181,030
	<u>84,159,358</u>	<u>55,923,895</u>
LIABILITIES		
Current liabilities		
Distributions payable	1,473	674
	<u>1,473</u>	<u>674</u>
Net assets attributable to holders of redeemable units	<u>84,157,885</u>	<u>55,923,221</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	22,474,596	36,582,820
Series M	61,683,289	19,340,401
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)	2018	2017
	U.S. \$	U.S. \$
INCOME		
Interest for distribution purposes	1,293,843	596,467
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,293,843	596,467
Securities lending (note 11)	-	97
Total income (loss), net	<u>1,293,843</u>	<u>596,564</u>
EXPENSES		
Management fees (note 5)	307,786	381,405
Independent Review Committee fees	967	1,142
Interest expense and bank overdraft charges	-	27
Audit fees	11,157	8,347
Custodian fees	3,506	3,398
Filing fees	15,822	5,098
Legal fees	12	22
Unitholder administration costs	9,557	23,282
Unitholder reporting costs	4,767	3,651
Other fund costs	-	9
Harmonized Sales Tax/Goods and Services Tax	33,519	34,842
Total expenses	<u>387,093</u>	<u>461,223</u>
Expenses absorbed by the Manager	<u>(50,200)</u>	<u>(67,687)</u>
Net expenses	<u>336,893</u>	<u>393,536</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>956,950</u>	<u>203,028</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	287,234	52,367
Series M	669,716	150,661
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.10	0.01
Series M	0.21	0.12
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,987,114	3,775,408
Series M	3,152,090	1,282,086

[†] 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)	2018	2017
	U.S. \$	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	36,582,820	39,293,860
Series M	19,340,401	3,844,828
	<u>55,923,221</u>	<u>43,138,688</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	287,234	52,367
Series M	669,716	150,661
	<u>956,950</u>	<u>203,028</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(287,236)	(52,366)
Series M	(669,713)	(150,662)
	<u>(956,949)</u>	<u>(203,028)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	6,224,200	21,415,356
Series M	96,104,477	37,583,314
Reinvested distributions		
Series A	268,397	48,117
Series M	652,954	144,843
Payments on redemption		
Series A	(20,600,819)	(24,174,514)
Series M	(54,414,546)	(22,232,583)
	<u>28,234,663</u>	<u>12,784,533</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(14,108,224)	(2,711,040)
Series M	42,342,888	15,495,573
	<u>28,234,664</u>	<u>12,784,533</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	22,474,596	36,582,820
Series M	61,683,289	19,340,401
	<u>84,157,885</u>	<u>55,923,221</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
	U.S. \$	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	956,950	203,028
Adjustments for:		
Purchases of non-derivative financial assets and liabilities	(412,991,538)	(304,255,259)
Proceeds from sale of non-derivative financial assets and liabilities	384,544,502	291,789,357
Accrued investment income and other	140	(3,298)
Accrued expenses and other payables	-	(3,440)
Net cash provided by (used in) operating activities	<u>(27,489,946)</u>	<u>(12,269,612)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	101,603,117	58,798,669
Amounts paid on redemption of redeemable units	(74,090,013)	(46,491,812)
Distributions to unitholders of redeemable units	(34,799)	(9,445)
Net cash provided by (used in) financing activities	<u>27,478,305</u>	<u>12,297,412</u>
Net increase (decrease) in cash	(11,641)	27,800
Cash (bank overdraft), beginning of period	99,055	71,255
CASH (BANK OVERDRAFT), END OF PERIOD	<u>87,414</u>	<u>99,055</u>
Interest paid ⁽¹⁾	-	27
Interest received, net of withholding taxes ⁽¹⁾	1,257,136	593,597

⁽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, 2018

Issuer	Face	Average	Carrying	Issuer	Face	Average	Carrying
	Value (\$)	Cost (\$)	Value (\$)		Value (\$)	Cost (\$)	Value (\$)
	U.S. \$	U.S. \$	U.S. \$		U.S. \$	U.S. \$	U.S. \$
BONDS AND DEBENTURES – 2.7%				BONDS AND DEBENTURES (cont'd)			
Provincial Bonds – 2.7%				Short Term Bonds (cont'd)			
Province of Ontario 1.25% Jun 17, 2019	2,300,000	2,270,790	2,287,258	Walt Disney Company, The 1.65% Jan 08, 2019	1,200,000	1,196,037	1,209,378
MONEY MARKET INSTRUMENTS – 97.0%				Wells Fargo Bank NA (Floating Rate) 2.97% Dec 06, 2019			
Bearers' Deposit Notes – 2.5%					2,000,000	2,008,550	2,012,505
Fédération des caisses Desjardins du Québec 0.00% Jan 22, 2019	2,065,000	2,054,241	2,062,027		33,054,941	33,159,932	
Commercial Paper – 43.5%				TOTAL MONEY MARKET INSTRUMENTS			
Enbridge Pipelines Inc. 0.00% Jan 03, 2019	2,000,000	1,994,560	1,999,680		81,398,669	81,603,586	
Farm Credit Canada 0.00% Jan 14, 2019	9,950,000	9,929,006	9,941,471	TOTAL INVESTMENT PORTFOLIO			
Farm Credit Canada 0.00% Mar 28, 2019	5,380,000	5,341,765	5,348,967		83,669,459	83,890,844	
Omers Finance Trust 0.00% Mar 01, 2019	2,320,000	2,306,776	2,309,867	OTHER ASSETS, LESS LIABILITIES – 0.3%			
Province of Alberta 0.00% Jan 30, 2019	5,000,000	4,979,850	4,989,925			267,041	
Province of Ontario 0.00% Mar 11, 2019	6,000,000	5,962,842	5,971,825	NET ASSETS – 100.0%			
Province of Quebec 0.00% Feb 20, 2019	1,640,000	1,631,898	1,634,373			84,157,885	
Province of Quebec 0.00% Jan 03, 2019	4,400,000	4,391,068	4,399,424	Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.			
		36,537,765	36,595,532	† Investment in related party (note 10)			
Promissory Notes – 11.6%							
Province of Alberta 0.00% Feb 19, 2019	2,200,000	2,187,086	2,192,188				
Province of Alberta 0.00% Feb 21, 2019	1,815,000	1,803,729	1,808,237				
Province of Alberta 0.00% Jan 23, 2019	2,300,000	2,291,306	2,296,585				
Province of Quebec 0.00% Feb 25, 2019	3,000,000	2,970,681	2,989,321				
Province of Quebec 0.00% Jan 08, 2019	500,000	498,920	499,764				
		9,751,722	9,786,095				
Short Term Bonds – 39.4%							
American Honda Finance Corporation (Floating Rate) 2.77% Nov 13, 2019	325,000	325,202	326,377				
American Honda Finance Corporation (Floating Rate) 2.80% Feb 21, 2020	500,000	499,876	501,439				
American Honda Finance Corporation (Floating Rate) 2.95% Feb 14, 2020	800,000	799,658	802,760				
American Honda Finance Corporation 1.51% Jan 22, 2019	300,000	300,306	301,544				
Apple Inc. (Floating Rate) 2.27% Feb 22, 2019	130,000	131,188	130,624				
Bank of Montreal (Floating Rate) 2.15% Dec 12, 2019	995,000	1,001,236	1,000,234				
Bank of Montreal (Floating Rate) 2.77% Jun 15, 2020	1,500,000	1,504,367	1,506,023				
Bank of Montreal 2.00% Jul 18, 2019	1,200,000	1,208,511	1,210,755				
Bank of Nova Scotia (Floating Rate) 2.49% Feb 18, 2020†	500,000	500,059	501,689				
Bank of Nova Scotia (Floating Rate) 2.55% Dec 30, 2019†	1,600,000	1,600,518	1,600,349				
Bank of Nova Scotia 2.62% Sep 21, 2020†	1,200,000	1,200,882	1,201,757				
Canadian Imperial Bank of Commerce (Floating Rate) 1.98% Jan 28, 2019	900,000	900,738	904,358				
Canadian Imperial Bank of Commerce (Floating Rate) 2.31% May 29, 2019	1,000,000	1,001,030	1,003,066				
Canadian Imperial Bank of Commerce (Floating Rate) 2.72% Oct 05, 2020	1,700,000	1,702,839	1,713,867				
IBM Credit LLC 1.63% Sep 06, 2019	1,000,000	990,630	996,757				
International Business Machines Corporation (Floating Rate) 2.71% Feb 12, 2019	1,100,000	1,101,606	1,105,041				
John Deere Capital Corporation (Floating Rate) 1.92% Jan 08, 2019	1,500,000	1,505,078	1,510,458				
John Deere Capital Corporation (Floating Rate) 2.62% Oct 09, 2019	400,000	401,192	403,334				
National Australia Bank Ltd. (Floating Rate) 3.00% Jan 10, 2020	1,000,000	1,005,585	1,011,548				
National Bank of Canada (Floating Rate) 2.89% Jun 12, 2020	2,200,000	2,211,689	2,213,952				
National Bank of Canada 2.89% Nov 02, 2020	1,340,000	1,340,013	1,346,249				
Pfizer Inc. 1.45% Jun 03, 2019	300,000	296,829	298,899				
Royal Bank of Canada (Floating Rate) 1.66% Mar 15, 2019	660,000	663,663	661,223				
Royal Bank of Canada (Floating Rate) 2.07% Apr 15, 2019	500,000	504,355	504,195				
Royal Bank of Canada (Floating Rate) 2.16% Jan 10, 2019	600,000	601,799	603,970				
Royal Bank of Canada (Floating Rate) 2.22% Aug 29, 2019	600,000	600,754	601,940				
Shell International Finance BV 4.30% Sep 22, 2019	2,100,000	2,123,148	2,145,439				
Toronto-Dominion Bank, The (Floating Rate) 1.96% Aug 13, 2019	418,000	421,816	420,962				
Toronto-Dominion Bank, The (Floating Rate) 1.99% Jan 22, 2019	700,000	705,362	704,803				
Toronto-Dominion Bank, The (Floating Rate) 2.42% Sep 04, 2019	200,000	200,041	200,453				
Toronto-Dominion Bank, The (Floating Rate) 2.59% Sep 17, 2020	2,200,000	2,200,056	2,202,663				
Toyota Motor Credit Corporation 2.46% Nov 14, 2019	300,000	300,328	301,321				

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 investment 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	70,888,897	50,089,728
1-3 years	13,001,947	5,354,082
3-5 years	—	—
5-10 years	—	—
> 10 years	—	—
	83,890,844	55,443,810

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$21,237 or approximately 0.0% (December 31, 2017 – \$12,944 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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 direct currency risk exposure as at December 31, 2018.

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by nil or approximately 0.0% of net assets (December 31, 2017 – \$307 or approximately 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 direct price risk exposure to equities, underlying funds, derivatives or commodities as at December 31, 2018 or December 31, 2017.

Credit risk

Below is a summary of the credit ratings of bond and debentures and money market instruments held by the Fund.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
AAA/A-1+	45.7	45.6	32.1	31.8
AA/A-1	18.7	18.7	16.8	16.7
A/A-2	32.9	32.9	41.7	41.3
BB	2.6	2.5	—	—
NOT RATED	—	—	9.4	9.3
Total	99.9	99.7	100.0	99.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Bearers' Deposit Notes	2.5	—
Commercial Paper	43.5	14.0
Federal Bonds	—	2.7
Promissory Notes	11.6	15.1
Provincial Bonds	2.7	21.9
Short Term Bonds	39.4	45.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	—	2,287,258	—	2,287,258
Money market instruments	—	81,603,586	—	81,603,586
	—	83,890,844	—	83,890,844

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

Transfers between levels

During the periods ended December 31, 2018 and December 31, 2017, 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, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Short Term Bond Pool

(formerly, Scotia Short Term Bond Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	298,620,535	329,094,669
Cash	8,542,006	2,110,674
Subscriptions receivable	723,250	117,898
Accrued investment income and other	1,018,172	902,587
	<u>308,903,963</u>	<u>332,225,828</u>
LIABILITIES		
Current liabilities		
Redemptions payable	197,012	262,046
	<u>197,012</u>	<u>262,046</u>
Net assets attributable to holders of redeemable units	<u>308,706,951</u>	<u>331,963,782</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	1,078,195	1,290,692
Series K	28,091,417	17,892,000
Series M	279,537,339	312,781,090
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.62	9.65
Series K	9.69	9.71
Series M	9.56	9.59

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	7,791,811	8,207,253
Net realized gain (loss) on non-derivative financial assets	(6,733,192)	(1,313,591)
Change in unrealized gain (loss) on non-derivative financial assets	5,544,402	(5,223,851)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,603,021	1,669,811
Securities lending (note 11)	3,909	22,081
Total income (loss), net	<u>6,606,930</u>	<u>1,691,892</u>
EXPENSES		
Management fees (note 5)	202,998	358,715
Fixed administration fees (note 6)	111,780	121,117
Independent Review Committee fees	1,249	1,135
Harmonized Sales Tax/Goods and Services Tax	35,289	42,040
Total expenses	351,316	523,007
Expenses absorbed by the Manager	-	(107,442)
Net expenses	<u>351,316</u>	<u>415,565</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>6,255,614</u>	<u>1,276,327</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	23,454	7,024
Series K	524,800	(17,635)
Series M	5,707,360	1,286,938
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.20	0.05
Series K	0.23	(0.01)
Series M	0.19	0.03
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	117,076	146,438
Series K	2,296,624	1,214,234
Series M	30,262,587	37,136,061

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	1,290,692	1,514,068
Series K	17,892,000	4,502,047
Series M	312,781,090	388,169,221
	<u>331,963,782</u>	<u>394,185,336</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	23,454	7,024
Series K	524,800	(17,635)
Series M	5,707,360	1,286,938
	<u>6,255,614</u>	<u>1,276,327</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(27,140)	(31,816)
Series K	(517,260)	(259,653)
Series M	(6,749,820)	(7,753,831)
	<u>(7,294,220)</u>	<u>(8,045,300)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	162,399	184,500
Series K	13,118,394	15,547,534
Series M	54,561,744	58,060,782
Reinvested distributions		
Series I	27,140	31,816
Series K	517,260	259,653
Series M	6,402,560	7,387,963
Payments on redemption		
Series I	(398,350)	(414,900)
Series K	(3,443,777)	(2,139,946)
Series M	(93,165,595)	(134,369,983)
	<u>(22,218,225)</u>	<u>(55,452,581)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(212,497)	(223,376)
Series K	10,199,417	13,389,953
Series M	(33,243,751)	(75,388,131)
	<u>(23,256,831)</u>	<u>(62,221,554)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	1,078,195	1,290,692
Series K	28,091,417	17,892,000
Series M	279,537,339	312,781,090
	<u>308,706,951</u>	<u>331,963,782</u>

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

Scotia Private Short Term Bond Pool (Continued)

(formerly, Scotia Short Term Bond Fund)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	6,255,614	1,276,327
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	6,733,192	1,313,591
Change in unrealized (gain) loss on non-derivative financial assets	(5,544,402)	5,223,851
Purchases of non-derivative financial assets and liabilities	(645,008,469)	(483,182,626)
Proceeds from sale of non-derivative financial assets and liabilities	674,293,814	537,675,760
Accrued investment income and other	(115,585)	273,020
Accrued expenses and other payables	—	(1,197)
Net cash provided by (used in) operating activities	36,614,164	62,578,726
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	67,226,749	74,491,575
Amounts paid on redemption of redeemable units	(97,062,321)	(137,604,364)
Distributions to unitholders of redeemable units	(347,260)	(365,869)
Net cash provided by (used in) financing activities	(30,182,832)	(63,478,658)
Net increase (decrease) in cash	6,431,332	(899,932)
Cash (bank overdraft), beginning of period	2,110,674	3,010,606
CASH (BANK OVERDRAFT), END OF PERIOD	8,542,006	2,110,674
Interest received, net of withholding taxes ⁽¹⁾	7,676,225	8,480,274

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 96.7%			
Corporate Bonds – 33.4%			
AltaGas Ltd. 4.07% Jun 01, 2020	3,000,000	3,219,960	3,034,845
Bank of Montreal 1.88% Mar 31, 2021	10,000,000	9,999,500	9,826,465
Bell Canada 3.25% Jun 17, 2020	5,000,000	5,220,150	5,033,801
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	10,100,000	10,094,748	9,917,541
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	5,000,000	5,449,800	5,127,122
Ford Credit Canada Ltd. 2.58% May 10, 2021	5,000,000	5,000,000	4,825,561
Fortified Trust 1.67% Jul 23, 2021	7,000,000	7,000,000	6,813,460
Hydro One Inc. 4.40% Jun 01, 2020	5,000,000	5,619,400	5,125,735
John Deere Canada Funding Inc. 3.02% Jul 13, 2023	5,000,000	4,936,800	5,016,453
Manulife Bank of Canada 2.08% May 26, 2022	8,500,000	8,500,000	8,264,923
National Bank of Canada 2.40% Oct 28, 2019	4,810,000	4,866,125	4,811,739
OMERS Realty Corporation 3.20% Jul 24, 2020	7,500,000	7,592,100	7,571,336
Rogers Communications Inc. 2.80% Mar 13, 2019	4,750,000	4,825,140	4,754,540
Royal Bank of Canada 2.95% May 01, 2023	8,000,000	8,000,000	8,017,856
Shaw Communications Inc. 5.50% Dec 07, 2020	5,000,000	5,658,750	5,228,147
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	10,000,000	10,000,000	9,761,780
		<u>105,982,473</u>	<u>103,131,304</u>
Federal Bonds – 50.2%			
Canada Housing Trust No. 1 1.25% Jun 15, 2021	81,400,000	78,968,974	79,870,123
Canada Housing Trust No. 1 1.45% Jun 15, 2020	25,000,000	24,789,750	24,834,510
Canada Housing Trust No. 1 2.35% Sep 15, 2023	30,000,000	29,499,136	30,087,605
Canada Housing Trust No. 1 2.55% Dec 15, 2023	20,000,000	20,031,156	20,223,161
		<u>153,289,016</u>	<u>155,015,399</u>
Provincial Bonds – 13.1%			
Province of New Brunswick 3.35% Dec 03, 2021	11,000,000	11,341,000	11,332,890
Province of Ontario 1.35% Mar 08, 2022	30,000,000	28,811,700	29,140,942
		<u>40,152,700</u>	<u>40,473,832</u>
TOTAL INVESTMENT PORTFOLIO		<u>299,424,189</u>	<u>298,620,535</u>
OTHER ASSETS, LESS LIABILITIES – 3.3%			<u>10,086,416</u>
NET ASSETS – 100.0%			<u>308,706,951</u>

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

Scotia Private Short Term Bond Pool (Continued) (formerly, Scotia Short Term Bond Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	9,566,279	26,589,328
1-3 years	178,541,536	148,041,601
3-5 years	110,512,720	154,463,740
5-10 years	-	-
> 10 years	-	-
	298,620,535	329,094,669

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$2,077,342 or approximately 0.7% (December 31, 2017 – \$2,131,627 or approximately 0.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	54.2	52.3	49.2	48.8
AA	15.1	14.6	22.4	22.1
A	23.0	22.3	21.3	21.2
BBB	7.7	7.5	7.1	7.0
	100.0	96.7	100.0	99.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Corporate Bonds	33.4	39.6
Federal Bonds	50.2	44.9
Provincial Bonds	13.1	14.6

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	-	298,620,535	-	298,620,535
	-	298,620,535	-	298,620,535

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

Scotia Private Short Term Bond Pool (Continued) (formerly, Scotia Short Term Bond Fund)

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

Scotia Private Short-Mid Government Bond Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,224,200,743	816,951,061
Cash	1,517,776	2,192,524
Subscriptions receivable	794,741	199,358
Accrued investment income and other	3,331,269	2,268,979
	<u>1,229,844,529</u>	<u>821,611,922</u>
LIABILITIES		
Current liabilities		
Redemptions payable	1,393,880	726,378
	<u>1,393,880</u>	<u>726,378</u>
Net assets attributable to holders of redeemable units	<u>1,228,450,649</u>	<u>820,885,544</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	860,032,535	395,446,536
Series K	52,087,524	42,421,802
Series M	316,330,590	383,017,206
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.27	10.26
Series K	9.59	9.57
Series M	10.27	10.27

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	19,249,138	20,317,846
Net realized gain (loss) on non-derivative financial assets	(8,805,794)	(10,481,887)
Change in unrealized gain (loss) on non-derivative financial assets	18,414,445	(2,286,256)
Net realized gain (loss) on derivatives	-	(1,041,988)
Change in unrealized gain (loss) on derivatives	-	(957,600)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	28,857,789	5,550,115
Securities lending (note 11)	10,991	61,223
Total income (loss), net	<u>28,868,780</u>	<u>5,611,338</u>
EXPENSES		
Management fees (note 5)	238,691	480,877
Fixed administration fees (note 6)	209,433	218,411
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	719	56
Harmonized Sales Tax/Goods and Services Tax	50,418	61,418
Transaction costs	-	3,511
Total expenses	500,510	765,408
Expenses absorbed by the Manager	-	(143,394)
Net expenses	<u>500,510</u>	<u>622,014</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>28,368,270</u>	<u>4,989,324</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	20,062,896	1,920,082
Series K	1,230,686	(66,193)
Series M	7,074,688	3,135,435
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.44	0.04
Series K	0.26	(0.02)
Series M	0.21	0.07
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	45,404,030	43,643,074
Series K	4,667,811	3,000,385
Series M	33,367,150	46,484,096

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	395,446,536	454,425,468
Series K	42,421,802	11,900,030
Series M	383,017,206	817,131,124
	<u>820,885,544</u>	<u>1,283,456,622</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	20,062,896	1,920,082
Series K	1,230,686	(66,193)
Series M	7,074,688	3,135,435
	<u>28,368,270</u>	<u>4,989,324</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(10,923,046)	(10,881,358)
Series K	(995,537)	(672,240)
Series M	(7,702,819)	(11,122,049)
	<u>(19,621,402)</u>	<u>(22,675,647)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	522,010,071	40,059,639
Series K	24,549,758	34,542,647
Series M	46,568,182	61,777,140
Reinvested distributions		
Series I	10,923,046	10,881,358
Series K	995,537	672,240
Series M	7,046,844	10,211,760
Payments on redemption		
Series I	(77,486,968)	(100,958,653)
Series K	(16,114,722)	(3,954,682)
Series M	(119,673,511)	(498,116,204)
	<u>398,818,237</u>	<u>(444,884,755)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	464,585,999	(58,978,932)
Series K	9,665,722	30,521,772
Series M	(66,686,616)	(434,113,918)
	<u>407,565,105</u>	<u>(462,571,078)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	860,032,535	395,446,536
Series K	52,087,524	42,421,802
Series M	316,330,590	383,017,206
	<u>1,228,450,649</u>	<u>820,885,544</u>

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

Scotia Private Short-Mid Government Bond Pool (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	28,368,270	4,989,324
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	8,805,794	10,481,887
Change in unrealized (gain) loss on non-derivative financial assets	(18,414,445)	2,286,256
Change in unrealized (gain) loss on derivatives	-	957,600
Purchases of non-derivative financial assets and liabilities	(1,995,857,793)	(1,296,748,918)
Proceeds from sale of non-derivative financial assets and liabilities	1,598,216,762	1,713,786,915
Cash collateral deposited on derivatives	-	4,997,428
Accrued investment income and other	(1,062,290)	668,083
Accrued expenses and other payables	-	(2,546)
Net cash provided by (used in) operating activities	(379,943,702)	441,416,029
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	592,532,628	137,522,139
Amounts paid on redemption of redeemable units	(212,607,699)	(603,544,698)
Distributions to unitholders of redeemable units	(655,975)	(910,289)
Net cash provided by (used in) financing activities	379,268,954	(466,932,848)
Net increase (decrease) in cash	(674,748)	(25,516,819)
Cash (bank overdraft), beginning of period	2,192,524	27,709,343
CASH (BANK OVERDRAFT), END OF PERIOD	1,517,776	2,192,524
Interest paid ⁽¹⁾	719	56
Interest received, net of withholding taxes ⁽¹⁾	18,186,849	20,985,928

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 99.6%			
Corporate Bonds – 7.6%			
Hydro Quebec Interest Strip 0.00% Feb 15, 2023	50,000,000	41,898,950	44,952,000
Hydro-Quebec 1.00% May 25, 2019	49,000,000	48,580,960	48,846,874
		<u>90,479,910</u>	<u>93,798,874</u>
Federal Bonds – 56.8%			
Canada Housing Trust No. 1 1.45% Jun 15, 2020	95,860,000	95,445,335	95,225,443
Canada Housing Trust No. 1 1.90% Sep 15, 2026	85,120,000	81,523,295	81,885,828
Canada Housing Trust No. 1 1.95% Dec 15, 2025	90,000,000	85,116,400	87,364,384
Canada Housing Trust No. 1 2.25% Dec 15, 2025	50,000,000	48,134,500	49,491,563
Canada Housing Trust No. 1 2.55% Dec 15, 2023	50,000,000	49,702,750	50,557,902
Canada Housing Trust No. 1 2.55% Mar 15, 2025	120,000,000	122,652,248	121,231,017
Canada Housing Trust No. 1 2.65% Dec 15, 2028	140,000,000	139,626,000	141,604,399
Government of Canada 2.00% Sep 01, 2023	70,000,000	69,158,600	70,362,250
		<u>691,359,128</u>	<u>697,722,786</u>
Provincial Bonds – 35.2%			
Province of Manitoba 2.55% Jun 02, 2026	25,000,000	24,196,750	24,629,835
Province of Nova Scotia 4.10% Jun 01, 2021	45,000,000	49,277,100	47,018,688
Province of Ontario 2.60% Jun 02, 2027	15,000,000	14,552,550	14,795,841
Province of Ontario 3.15% Jun 02, 2022	120,000,000	122,132,600	123,201,539
Province of Ontario 4.00% Jun 02, 2021	99,000,000	104,015,790	103,227,463
Province of Ontario Generic Coupon Strip 0.00% Jun 02, 2023	75,000,000	66,008,550	66,950,625
Province of Quebec 4.25% Dec 01, 2021	50,000,000	52,340,000	52,855,092
		<u>432,523,340</u>	<u>432,679,083</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>1,214,362,378</u></u>	<u><u>1,224,200,743</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>4,249,906</u>
NET ASSETS – 100.0%			<u><u>1,228,450,649</u></u>

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 investment 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

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	48,846,874	24,176,329
1-3 years	298,326,686	277,729,947
3-5 years	356,024,316	100,991,016
5-10 years	521,002,867	414,053,769
> 10 years	-	-
	1,224,200,743	816,951,061

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$14,446,098 or approximately 1.2% (December 31, 2017 – \$9,131,481 or approximately 1.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	57.0	56.7	51.0	50.7
AA	17.6	17.6	19.5	19.4
A	25.4	25.3	29.5	29.4
	100.0	99.6	100.0	99.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Corporate Bonds	7.6	8.4
Federal Bonds	56.8	50.7
Provincial Bonds	35.2	40.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	-	1,224,200,743	-	1,224,200,743
	-	1,224,200,743	-	1,224,200,743

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

Scotia Private Short-Mid Government Bond 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, 2018 and December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Mortgage Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	106,384,455	113,997,554
Cash	9,513,224	8,823,413
Subscriptions receivable	196,748	10,870
Accrued investment income and other	159,320	161,140
Mortgage payments receivable	333,137	57,832
	<u>116,586,884</u>	<u>123,050,809</u>
LIABILITIES		
Current liabilities		
Redemptions payable	116,098	122,532
Distributions payable	210	65
	<u>116,308</u>	<u>122,597</u>
Net assets attributable to holders of redeemable units	<u>116,470,576</u>	<u>122,928,212</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	73,784,532	72,612,969
Series F	795,737	117,338
Series I	812,434	973,062
Series K	7,811,719	4,735,206
Series M	33,266,154	44,489,637
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.63	10.60
Series F	10.61	10.57
Series I	10.55	10.52
Series K	9.99	9.96
Series M	9.89	9.86

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	3,807,411	4,104,416
Net realized gain (loss) on non-derivative financial assets	(20,764)	(77,252)
Change in unrealized gain (loss) on non-derivative financial assets	300,032	(453,002)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	4,086,679	3,574,162
Other income	459	4,010
Total income (loss), net	<u>4,087,138</u>	<u>3,578,172</u>
EXPENSES		
Management fees (note 5)	788,081	901,463
Fixed administration fees (note 6)	282,109	344,125
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	3,842	3,358
Harmonized Sales Tax/Goods and Services Tax	118,377	139,326
Total expenses	<u>1,193,658</u>	<u>1,389,407</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,893,480</u>	<u>2,188,765</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	1,464,598	907,758
Series F	6,930	3,137
Series I	28,624	24,371
Series K	216,208	71,034
Series M	1,177,120	1,182,465
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.23	0.12
Series F	0.33	0.17
Series I	0.36	0.24
Series K	0.35	0.23
Series M	0.32	0.22
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	6,488,529	7,400,961
Series F	21,110	18,208
Series I	80,171	100,021
Series K	622,109	309,270
Series M	3,655,043	5,323,240

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

Scotia Mortgage Income Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	72,612,969	85,328,884
Series F	117,338	142,945
Series I	973,062	1,107,947
Series K	4,735,206	1,274,890
Series M	44,489,637	61,030,974
	<u>122,928,212</u>	<u>148,885,640</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	1,464,598	907,758
Series F	6,930	3,137
Series I	28,624	24,371
Series K	216,208	71,034
Series M	1,177,120	1,182,465
	<u>2,893,480</u>	<u>2,188,765</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,295,151)	(1,176,908)
Series F	(5,658)	(4,138)
Series I	(25,887)	(29,005)
Series K	(195,298)	(87,477)
Series M	(1,072,892)	(1,387,136)
	<u>(2,594,886)</u>	<u>(2,684,664)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	17,469,145	7,778,072
Series F	754,397	161,751
Series I	138,503	103,500
Series K	3,278,529	3,670,373
Series M	7,031,898	11,060,157
Reinvested distributions		
Series A	1,226,891	1,108,705
Series F	4,695	3,734
Series I	25,887	29,005
Series K	195,298	87,477
Payments on redemption		
Series A	(17,693,920)	(21,333,542)
Series F	(81,965)	(190,091)
Series I	(327,755)	(262,756)
Series K	(418,224)	(281,091)
Series M	(18,359,609)	(27,396,823)
	<u>(6,756,230)</u>	<u>(25,461,529)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,171,563	(12,715,915)
Series F	678,399	(25,607)
Series I	(160,628)	(134,885)
Series K	3,076,513	3,460,316
Series M	(11,223,483)	(16,541,337)
	<u>(6,457,636)</u>	<u>(25,957,428)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	73,784,532	72,612,969
Series F	795,737	117,338
Series I	812,434	973,062
Series K	7,811,719	4,735,206
Series M	33,266,154	44,489,637
	<u>116,470,576</u>	<u>122,928,212</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,893,480	2,188,765
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	20,764	77,252
Change in unrealized (gain) loss on non-derivative financial assets	(300,032)	453,002
Purchases of non-derivative financial assets and liabilities	(159,420,690)	(186,210,762)
Proceeds from sale of non-derivative financial assets and liabilities	167,037,753	206,749,169
Accrued investment income and other	1,820	39,958
Accrued expenses and other payables	-	(5,347)
Net cash provided by (used in) operating activities	<u>10,233,095</u>	<u>23,292,037</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	28,435,781	22,878,703
Amounts paid on redemption of redeemable units	(36,837,095)	(49,298,683)
Distributions to unitholders of redeemable units	(1,141,970)	(1,455,734)
Net cash provided by (used in) financing activities	<u>(9,543,284)</u>	<u>(27,875,714)</u>
Net increase (decrease) in cash	689,811	(4,583,677)
Cash (bank overdraft), beginning of period	8,823,413	13,407,090
CASH (BANK OVERDRAFT), END OF PERIOD	<u>9,513,224</u>	<u>8,823,413</u>
Interest paid ⁽¹⁾		
	3,842	3,358
Interest received, net of withholding taxes ⁽¹⁾		
	3,809,230	4,144,374

⁽¹⁾ Classified as operating items.

Scotia Mortgage Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Interest Rate (%)	Number	Principal Balance (\$)	Amortized Cost (\$)	Carrying Value (\$)
CONVENTIONAL MORTGAGES – 91.3%				
2.00 – 2.24	1	319,060	318,465	318,473
2.25 – 2.49	24	3,358,344	3,357,804	3,332,976
2.50 – 2.74	48	6,533,105	6,547,560	6,490,657
2.75 – 2.99	39	3,724,654	3,748,408	3,714,635
3.00 – 3.24	35	3,820,009	3,831,499	3,796,731
3.25 – 3.49	60	12,536,122	12,583,305	12,574,053
3.50 – 3.74	76	13,449,243	13,535,688	13,566,088
3.75 – 3.99	24	3,812,672	3,816,848	3,869,824
4.00 – 4.24	3	403,481	401,168	412,127
4.75 – 4.99	299	54,965,675	54,998,746	54,998,615
5.25 – 5.49	2	447,494	448,581	482,480
5.75 – 5.99	1	784,540	784,691	858,986
7.25 – 7.49	7	1,943,530	1,943,158	1,968,810
TOTAL	<u>619</u>	<u>106,097,929</u>	<u>106,315,921</u>	<u>106,384,455</u>
TOTAL INVESTMENT PORTFOLIO			<u>106,315,921</u>	<u>106,384,455</u>
OTHER ASSETS, LESS LIABILITIES – 8.7%				10,086,121
NET ASSETS – 100.0%				<u>116,470,576</u>

Mortgages by Type of Property

As at December 31, 2018

	Number of Mortgages	Principal Balance (\$)	Carrying Value (\$)
Single Family Dwelling	439	78,494,541	78,960,246
Multi-Unit Dwelling of up to 8 Units	55	7,802,813	7,803,425
Condominiums	125	19,800,575	19,620,784
TOTAL	<u>619</u>	<u>106,097,929</u>	<u>106,384,455</u>

Mortgages by Geographic Location

As at December 31, 2018

	Number of Mortgages	Principal Balance (\$)	Carrying Value (\$)
Ontario	229	43,955,451	44,229,699
Alberta	113	24,411,035	24,522,129
British Columbia	67	13,260,121	13,080,763
Quebec	60	8,052,142	8,086,830
Nova Scotia	43	4,038,272	4,047,828
Saskatchewan	27	4,511,025	4,521,931
New Brunswick	31	2,819,689	2,828,358
Newfoundland and Labrador	29	2,749,679	2,763,306
Manitoba	16	2,249,939	2,253,028
Prince Edward Island	3	39,785	39,805
Yukon Territories	1	10,791	10,778
TOTAL	<u>619</u>	<u>106,097,929</u>	<u>106,384,455</u>

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 investment 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

Below is a summary of 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.

	December 31, 2018	December 31, 2017
	Percentage of net assets (%)	Percentage of net assets (%)
Mortgages of 6 months or less	57.5	56.7
Mortgages of more than 6 months to 1 year	4.9	12.3
Mortgages of more than 1 years to 2 years	6.6	15.1
Mortgages of more than 2 years to 3 years	3.3	4.1
Mortgages of more than 3 years to 4 years	2.1	1.3
Mortgages of more than 4 years to 5 years	16.9	3.2
	91.3	92.7

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$26,376 or approximately 0.0% (December 31, 2017 – \$25,043 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

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

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. 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, 2018	December 31, 2017
Interest Rate		
1.00% to 1.24%	–	0.1
2.00% to 2.24%	0.3	2.9
2.25% to 2.49%	2.9	6.7
2.50% to 2.74%	5.6	9.5
2.75% to 2.99%	3.2	25.6
3.00% to 3.24%	3.3	7.2
3.25% to 3.49%	10.8	5.1
3.50% to 3.74%	11.6	1.0
3.75% to 3.99%	3.3	0.2
4.00% to 4.24%	0.3	0.2
4.50% to 4.74%	–	16.9
4.75% to 4.99%	47.2	17.3
5.25% to 5.49%	0.4	0.0
5.75% to 5.99%	0.7	–
7.25% to 7.49%	1.7	–

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Conventional Mortgages	–	106,384,455	–	106,384,455
	–	106,384,455	–	106,384,455

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Floating Rate Income Pool

(formerly, Scotia Floating Rate Income Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,278,576,473	1,264,636,333
Derivatives	18,144,104	23,454,914
Cash	197,733,065	7,153,601
Cash collateral deposited on derivatives	—	6,170,000
Subscriptions receivable	945,949	1,034,001
Accrued investment income and other	8,286,833	7,375,991
	<u>1,503,686,424</u>	<u>1,309,824,840</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	8,968,547	984,515
Margin payable on derivatives	—	3,720,000
Redemptions payable	376,687	934,181
Accrued expenses	—	8
	<u>9,345,234</u>	<u>5,638,704</u>
Net assets attributable to holders of redeemable units	<u>1,494,341,190</u>	<u>1,304,186,136</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	933,188,380	761,968,521
Series K	34,710,408	22,975,702
Series M	<u>526,442,402</u>	<u>519,241,913</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.77	9.92
Series K	9.93	10.07
Series M	<u>9.76</u>	<u>9.91</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	36,858,456	32,976,291
Net realized gain (loss) on non-derivative financial assets	(6,253,661)	(1,732,293)
Change in unrealized gain (loss) on non-derivative financial assets	6,688,039	(21,645,783)
Net realized gain (loss) on derivatives	(6,807,505)	(702,362)
Change in unrealized gain (loss) on derivatives	<u>(13,294,842)</u>	<u>27,037,659</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	17,190,487	35,933,512
Securities lending (note 11)	8,025	63,201
Net realized and unrealized foreign currency translation gain (loss)	716,284	(488,540)
Total income (loss), net	<u>17,914,796</u>	<u>35,508,173</u>
EXPENSES		
Management fees (note 5)	372,971	358,628
Fixed administration fees (note 6)	534,774	496,109
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	45,956	4,322
Harmonized Sales Tax/Goods and Services Tax	96,002	91,398
Total expenses	<u>1,050,952</u>	<u>951,592</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>16,863,844</u>	<u>34,556,581</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	9,806,284	20,688,381
Series K	367,170	351,119
Series M	<u>6,690,390</u>	<u>13,517,081</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.12	0.27
Series K	0.13	0.24
Series M	<u>0.12</u>	<u>0.26</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	79,498,297	75,798,591
Series K	2,896,470	1,462,076
Series M	<u>53,787,879</u>	<u>52,088,652</u>

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

Scotia Private Floating Rate Income Pool (Continued)

(formerly, Scotia Floating Rate Income Fund)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	761,968,521	719,903,327
Series K	22,975,702	4,140,889
Series M	519,241,913	495,982,718
	<u>1,304,186,136</u>	<u>1,220,026,934</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	9,806,284	20,688,381
Series K	367,170	351,119
Series M	6,690,390	13,517,081
	<u>16,863,844</u>	<u>34,556,581</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(22,256,124)	(16,290,366)
Series K	(808,199)	(315,605)
Series M	(14,590,559)	(10,678,444)
	<u>(37,654,882)</u>	<u>(27,284,415)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	233,244,027	56,297,782
Series K	16,982,043	21,051,658
Series M	123,939,474	115,405,062
Reinvested distributions		
Series I	22,256,124	16,290,366
Series K	808,199	315,605
Payments on redemption		
Series I	(71,830,452)	(34,920,969)
Series K	(5,614,507)	(2,567,964)
Series M	(108,838,816)	(94,984,504)
	<u>210,946,092</u>	<u>76,887,036</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	171,219,859	42,065,194
Series K	11,734,706	18,834,813
Series M	7,200,489	23,259,195
	<u>190,155,054</u>	<u>84,159,202</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	933,188,380	761,968,521
Series K	34,710,408	22,975,702
Series M	526,442,402	519,241,913
	<u>1,494,341,190</u>	<u>1,304,186,136</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	16,863,844	34,556,581
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	6,253,661	1,732,293
Change in unrealized (gain) loss on non-derivative financial assets	(6,688,039)	21,645,783
Change in unrealized (gain) loss on derivatives	13,294,842	(27,037,659)
Unrealized foreign currency translation (gain) loss	71,308	(59,488)
Purchases of non-derivative financial assets and liabilities	(752,214,022)	(1,323,243,563)
Proceeds from sale of non-derivative financial assets and liabilities	738,708,261	1,200,102,014
Cash collateral deposited on derivatives	6,170,000	(6,170,000)
Margin payable on derivatives	(3,720,000)	3,720,000
Accrued investment income and other	(910,842)	(343,467)
Accrued expenses and other payables	(8)	(2,488)
Net cash provided by (used in) operating activities	<u>17,829,005</u>	<u>(95,099,994)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	374,097,665	192,381,667
Amounts paid on redemption of redeemable units	(186,685,339)	(131,896,701)
Distributions to unitholders of redeemable units	(14,590,559)	(10,678,444)
Net cash provided by (used in) financing activities	<u>172,821,767</u>	<u>49,806,522</u>
Unrealized foreign currency translation gain (loss)	(71,308)	59,488
Net increase (decrease) in cash	190,650,772	(45,293,472)
Cash (bank overdraft), beginning of period	7,153,601	52,387,585
CASH (BANK OVERDRAFT), END OF PERIOD	<u>197,733,065</u>	<u>7,153,601</u>
Interest paid ⁽¹⁾	45,956	4,322
Interest received, net of withholding taxes ⁽¹⁾	35,930,602	32,649,834

⁽¹⁾ Classified as operating items.

Scotia Private Floating Rate Income Pool (continued)

(formerly, Scotia Floating Rate Income Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 85.6%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 79.8%				Corporate Bonds (cont'd)			
Algonquin Power & Utilities Corporation 4.65% Feb 15, 2022	2,500,000	2,680,041	2,592,303	Dollarama Inc. (Callable) 3.55% Oct 06, 2023	4,150,000	4,130,786	4,143,817
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	3,400,000	3,634,365	3,506,073	Dollarama Inc. 2.34% Jul 22, 2021	8,425,000	8,425,000	8,242,866
Alimentation Couche-Tard Inc. 3.32% Nov 01, 2019	9,500,000	9,931,679	9,551,197	Enbridge Inc. (Callable) 3.50% Mar 10, 2024	USD 550,000	680,965	731,702
Alimentation Couche-Tard Inc. 3.90% Nov 01, 2022	4,500,000	4,882,500	4,591,415	Enbridge Inc. 3.19% Dec 05, 2022	13,342,000	13,458,280	13,307,381
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023	3,120,000	3,185,801	3,081,111	Enbridge Inc. 4.85% Nov 12, 2020	4,183,000	4,572,354	4,326,960
AltaGas Ltd. 3.72% Sep 28, 2021	4,715,000	4,976,635	4,744,401	Fairfax Financial Holdings Limited 4.50% Mar 22, 2023	28,475,000	29,166,696	29,464,190
American Express Company (Callable) 3.40% Jan 27, 2023	USD 5,350,000	6,887,431	7,242,584	Fairfax Financial Holdings Limited 5.84% Oct 14, 2022	4,375,000	4,877,119	4,735,970
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	5,800,000	5,798,550	5,509,965	First Capital Realty Inc. 3.95% Dec 05, 2022	3,555,000	3,650,345	3,603,547
Anheuser-Busch InBev Finance Inc. (Callable) 2.65% Jan 01, 2021	USD 1,221,000	1,745,910	1,637,502	Ford Credit Canada Company 2.71% Feb 23, 2022	9,250,000	9,250,000	8,777,103
AT&T Inc. 3.60% Feb 17, 2023	USD 7,875,000	10,265,980	10,702,601	Ford Credit Canada Company 3.35% Sep 19, 2022	8,700,000	8,700,000	8,280,177
AT&T Inc. 3.83% Nov 25, 2020	27,584,000	29,334,408	28,003,871	Ford Credit Canada Company 3.74% May 08, 2023	5,710,000	5,710,000	5,457,638
Bank of Montreal 1.61% Oct 28, 2021	21,145,000	21,009,785	20,496,089	Ford Credit Canada Ltd. 2.45% May 07, 2020	7,700,000	7,675,050	7,581,173
Bank of Montreal 2.10% Oct 06, 2020	32,000,000	31,940,015	31,723,488	Ford Credit Canada Ltd. 2.92% Sep 16, 2020	11,325,000	11,325,178	11,152,418
Bank of Montreal 2.27% Jul 11, 2022	7,050,000	7,049,648	6,917,036	Ford Credit Canada Ltd. 3.28% Jul 02, 2021	8,000,000	8,090,320	7,818,789
Bank of Montreal 2.70% Sep 11, 2024	7,325,000	7,324,048	7,218,650	Fortified Trust 1.67% Jul 23, 2021	9,050,000	9,050,000	8,808,831
Bank of Nova Scotia, The 1.83% Apr 27, 2022 ¹	10,000,000	9,683,900	9,685,288	General Motors Financial of Canada Ltd. 3.08% May 22, 2020	14,000,000	14,277,842	13,967,470
Bank of Nova Scotia, The 1.90% Dec 02, 2021 ¹	2,000,000	1,942,860	1,950,379	Genesis Trust II 1.70% Apr 15, 2020	6,000,000	6,000,000	5,938,196
Bank of Nova Scotia, The 2.09% Sep 09, 2020 ¹	30,000,000	29,889,599	29,742,613	Genesis Trust II 2.43% May 15, 2019	8,000,000	8,133,200	8,006,859
Bank of Nova Scotia, The 2.29% Jun 28, 2024 ¹	1,750,000	1,689,730	1,688,589	Goldman Sachs Group Inc., The (Callable) 2.43% Apr 26, 2022	9,650,000	9,590,729	9,305,944
Bank of Nova Scotia, The 2.36% Nov 08, 2022 ¹	18,125,000	17,944,163	17,773,287	Goldman Sachs Group Inc., The (Callable) 3.31% Oct 31, 2024	5,000,000	5,000,000	4,852,562
Bank of Nova Scotia, The 2.98% Apr 17, 2023 ¹	3,925,000	3,923,901	3,933,149	Granite REIT Holdings LP (Callable) 3.87% Sep 30, 2023	6,250,000	6,250,125	6,275,740
bclMC Realty Corporation (Callable) 2.15% Jul 11, 2022	11,000,000	10,996,810	10,753,771	H&R Real Estate Investment Trust (Callable) 3.42% Dec 23, 2022	1,400,000	1,400,000	1,378,128
bclMC Realty Corporation 2.10% Jun 03, 2021	14,000,000	13,994,540	13,808,509	H&R Real Estate Investment Trust 2.92% May 06, 2022	6,175,000	6,132,418	6,041,204
Bell Canada (Callable) 3.00% Sep 03, 2022	43,300,000	43,982,296	42,932,525	H&R Real Estate Investment Trust 4.45% Mar 02, 2020	4,000,000	4,168,560	4,067,463
Bell Canada (Callable) 3.15% Aug 29, 2021	12,410,000	12,824,349	12,444,272	HCA Inc. 4.75% May 01, 2023	USD 300,000	381,547	405,709
Bell Canada (Callable) 3.35% Dec 22, 2022	4,450,000	4,725,989	4,452,920	Hollis Receivables Term Trust II 1.79% Feb 26, 2020	1,800,000	1,800,000	1,785,054
Bell Canada 2.00% Oct 01, 2021	4,800,000	4,790,592	4,667,863	Honda Canada Finance Inc. 2.27% Jul 15, 2022	3,100,000	3,100,000	3,024,794
BMW Canada Inc. 1.88% Dec 11, 2020	5,600,000	5,600,000	5,506,699	Honda Canada Finance Inc. 2.54% Mar 01, 2023	915,000	914,405	896,027
Brookfield Asset Management Inc. 3.95% Apr 09, 2019	12,200,000	12,682,339	12,249,577	Honda Canada Finance Inc. 3.18% Aug 28, 2023	5,300,000	5,300,000	5,313,358
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	6,000,000	6,042,955	5,866,529	Intact Financial Corporation 5.41% Sep 03, 2019	1,500,000	1,696,305	1,528,762
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022	3,750,000	3,765,038	3,751,018	Invanhoe Cambridge II Inc. (Callable) 2.91% May 27, 2023	750,000	750,000	749,838
Brookfield Infrastructure Finance ULC 3.54% Oct 30, 2020	1,750,000	1,750,000	1,768,006	JPMorgan Chase & Co. (Callable) 2.25% Dec 23, 2019	USD 1,500,000	1,795,053	2,029,424
Brookfield Property Finance ULC (Callable) 4.35% Jun 03, 2023	9,300,000	9,300,000	9,330,862	JPMorgan Chase & Co. 3.19% Mar 05, 2021	4,000,000	3,998,520	4,031,758
Brookfield Property Finance ULC 4.12% Oct 19, 2021	3,500,000	3,500,000	3,533,406	JPMorgan Chase & Company (Callable) 3.80% Jul 23, 2023	USD 4,050,000	5,321,315	5,539,027
Cadillac Fairview Finance Trust (Callable) 3.13% Feb 20, 2022	USD 6,300,000	8,572,064	8,542,014	Lennar Corporation (Callable) 4.50% Jan 31, 2024	USD 4,500,000	5,696,563	5,859,367
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	5,025,000	5,022,839	4,889,447	Lennar Corporation 4.88% Dec 15, 2023	USD 600,000	767,970	791,864
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	10,745,000	10,877,353	10,550,889	Manulife Bank of Canada 1.92% Sep 01, 2021	12,990,000	12,990,000	12,679,565
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022	13,200,000	13,083,197	12,885,292	Manulife Bank of Canada 2.08% May 26, 2022	4,750,000	4,750,000	4,618,633
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	17,000,000	16,672,669	16,685,042	OMERS Realty Corporation (Callable) 1.82% Apr 09, 2022	3,500,000	3,500,000	3,393,622
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022	15,729,000	15,686,752	15,476,665	OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024	6,150,000	6,248,585	6,135,188
Canadian Imperial Bank of Commerce 2.97% Jul 11, 2023	5,400,000	5,373,000	5,409,491	OMERS Realty Corporation 3.36% Jun 05, 2023	20,500,000	20,719,145	20,910,916
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	5,835,000	5,873,620	5,829,636	Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	8,302,000	8,139,553	8,074,438
Canadian Oil Sands Ltd. 4.50% Apr 01, 2022	USD 13,100,000	17,815,079	18,115,251	Pembina Pipeline Corporation 3.77% Oct 24, 2022	2,250,000	2,305,620	2,277,982
CARDS II Trust 2.16% Oct 15, 2020	23,250,000	23,143,635	23,049,089	Penske Truck Leasing Company LP/PTL Finance Corporation (Callable) 3.05% Dec 09, 2019	USD 2,600,000	3,002,673	3,543,169
Choice Properties LP (Callable) 3.60% Jan 20, 2020	16,750,000	17,176,655	16,882,908	Race Point VIII CLO Ltd, Series 13-8A 0.00% Feb 20, 2030	USD 17,500,000	22,989,714	23,885,636
Choice Properties LP (Callable) 3.60% Jun 20, 2022	4,510,000	4,744,295	4,536,809	RioCan Real Estate Investment Trust 2.19% Apr 09, 2021	12,500,000	12,545,212	12,249,591
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023	4,700,000	4,837,663	4,632,671	RioCan Real Estate Investment Trust 2.83% Oct 03, 2022	2,200,000	2,160,444	2,151,071
Choice Properties Real Estate Investment Trust 3.50% Feb 08, 2021	2,000,000	2,075,907	2,014,832	Royal Bank of Canada 1.58% Sep 13, 2021	22,750,000	22,495,398	22,065,943
CI Financial Corporation 2.65% Dec 07, 2020	13,840,000	13,839,560	13,745,488	Royal Bank of Canada 1.65% Jul 15, 2021	5,340,000	5,338,451	5,199,123
CIT Group Inc. 5.00% Aug 01, 2023	USD 200,000	259,518	266,687	Royal Bank of Canada 1.92% Jul 17, 2020	3,250,000	3,250,000	3,219,167
CIT Group Inc. 5.00% Aug 15, 2022	USD 2,205,000	2,996,459	2,982,110	Royal Bank of Canada 2.00% Mar 21, 2022	16,725,000	16,704,198	16,312,681
Citigroup Inc. 2.40% Feb 18, 2020	USD 3,500,000	4,391,063	4,723,577	Royal Bank of Canada 2.03% Mar 15, 2021	17,300,000	17,010,597	17,061,150
Citigroup Inc. 2.55% Apr 08, 2019	USD 1,600,000	1,762,487	2,178,818	Royal Bank of Canada 2.36% Dec 05, 2022	5,550,000	5,543,264	5,447,487
Cominar Real Estate Investment Trust 3.62% Jun 21, 2019	17,791,000	17,878,339	17,837,299	Royal Bank of Canada 2.95% May 01, 2023	13,750,000	13,748,003	13,780,692
CVS Health Corporation (Callable) 3.70% Feb 09, 2023	USD 3,450,000	4,356,980	4,683,699	Royal Bank of Canada 3.30% Sep 26, 2023	1,300,000	1,296,425	1,305,993
Daimler Canada Finance Inc. 1.57% May 25, 2020	9,000,000	9,000,000	8,846,717	Sabine Pass Liquefaction LLC 5.63% Apr 15, 2023	USD 975,000	1,364,691	1,398,128
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	7,950,000	7,827,411	7,737,894	Saputo Inc. 2.20% Jun 23, 2021	9,500,000	9,500,000	9,310,947
Daimler Canada Finance Inc. 2.30% Nov 23, 2020	3,900,000	3,900,000	3,854,369	Saputo Inc. 2.65% Nov 26, 2019	5,125,000	5,167,000	5,124,819
Daimler Canada Finance Inc. 3.05% May 16, 2022	11,640,000	11,638,254	11,615,243	Shaw Communications Inc. 3.15% Feb 19, 2021	7,500,000	7,491,750	7,500,060
Dell International LLC / EMC Corporation (Callable) 5.45% Apr 15, 2023	USD 1,250,000	1,723,968	1,734,881	Smart Real Estate Investment Trust 2.88% Mar 21, 2022	2,100,000	2,070,411	2,062,346
Dollarama Inc. (Callable) 2.20% Oct 10, 2022	7,650,000	7,690,604	7,313,461	Smart Real Estate Investment Trust 3.75% Feb 11, 2021	5,000,000	5,003,950	5,057,615
				Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC 3.36% Sep 20, 2021	USD 4,228,125	5,611,241	5,707,462

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

Scotia Private Floating Rate Income Pool (Continued)

(formerly, Scotia Floating Rate Income Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Mortgage-Backed Securities – 3.6%			
TD Capital Trust IV (Callable) 6.63% Jun 30, 2021	5,435,000	6,325,513	5,892,864	Magnetite VII Ltd. 2.62% Jan 15, 2028	USD 11,950,000	14,736,712	16,074,866
TELUS Corporation (Callable) 2.35% Feb 28, 2022	13,750,000	13,828,300	13,423,247	Octagon Investment Partners 24 Ltd. 0.00% May 21, 2027	USD 11,000,000	13,447,433	14,966,707
Toll Brothers Finance Corporation (Callable) 4.38% Jan 15, 2023	USD 801,000	1,029,626	1,034,150	Octagon Investment Partners 30 Ltd. 2.35% Mar 17, 2030	USD 8,750,000	11,377,674	11,945,853
Toronto-Dominion Bank, The (Callable) 2.98% Sep 30, 2020	1,400,000	1,400,000	1,399,943	OPB Finance Trust 1.88% Feb 24, 2022	10,650,000	10,394,015	10,452,500
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	7,950,000	7,950,000	7,760,615			49,955,834	53,439,926
Toronto-Dominion Bank, The 2.05% Mar 08, 2021	2,500,000	2,500,000	2,468,185	TOTAL INVESTMENT PORTFOLIO		1,288,131,756	1,278,576,473
Toronto-Dominion Bank, The 2.62% Dec 22, 2021	13,550,000	13,517,480	13,500,610	Unrealized Gain (Loss) on Derivatives – 0.6%			9,175,555
Toronto-Dominion Bank, The 3.01% May 30, 2023	8,275,000	8,275,000	8,324,112	OTHER ASSETS, LESS LIABILITIES – 13.8%			206,589,162
Toyota Credit Canada Inc. 1.80% Feb 19, 2020	13,450,000	13,432,107	13,341,801	NET ASSETS – 100.0%			1,494,341,190
Toyota Credit Canada Inc. 2.05% May 20, 2020	11,300,000	11,288,907	11,215,176				
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	3,600,000	3,599,676	3,526,463				
Toyota Credit Canada Inc. 2.62% Oct 11, 2022	14,200,000	14,164,504	14,002,620				
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	9,000,000	8,994,150	8,882,103				
Toyota Credit Canada Inc. 3.04% Jul 12, 2023	4,400,000	4,399,384	4,395,969				
TransAlta Corporation (Callable) 4.50% Aug 15, 2022	USD 3,150,000	4,082,000	4,165,882				
TransAlta Corporation 5.00% Nov 25, 2020	9,500,000	9,943,741	9,793,291				
Wells Fargo & Company 2.09% Apr 25, 2022	36,500,000	36,276,797	35,302,922				
Wells Fargo & Company 2.22% Mar 15, 2021	5,000,000	5,000,000	4,917,922				
Wells Fargo Canada Corporation 2.94% Jul 25, 2019	10,100,000	10,443,554	10,131,498				
		1,206,478,937	1,192,551,734				
Federal Bonds – 2.2%							
Government of Canada 0.75% Sep 01, 2020	6,000,000	5,839,920	5,892,868				
Government of Canada 1.75% Mar 01, 2023	4,000,000	3,908,040	3,978,219				
Government of Canada 2.00% Sep 01, 2023	7,250,000	7,125,481	7,287,519				
Government of Canada 3.25% Jun 01, 2021	2,710,000	2,775,907	2,798,011				
Government of Canada 3.50% Jun 01, 2020	2,000,000	2,040,000	2,046,223				
United States Treasury Notes 2.88% Nov 30, 2023	USD 3,326,000	4,479,492	4,616,946				
United States Treasury Notes 2.88% Sep 30, 2023	USD 4,300,000	5,528,145	5,965,027				
		31,696,985	32,584,813				

† Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	1,500,000	Canadian Dollar	2,007,758	1.339	1.364	38,216
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	500,000	Canadian Dollar	670,595	1.341	1.364	11,396
									49,612

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	42,845,763	US Dollar	32,990,000	0.77	0.733	(2,151,850)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	1,740,057	US Dollar	1,300,000	0.747	0.733	(33,114)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	46,291,099	US Dollar	35,670,000	0.771	0.734	(2,336,769)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	31,639,916	US Dollar	24,080,000	0.761	0.734	(1,171,988)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	8,028,180	US Dollar	6,000,000	0.747	0.734	(147,544)
Toronto-Dominion Bank, The	A-1+	Apr. 18, 2019	Canadian Dollar	43,668,216	US Dollar	32,660,000	0.748	0.734	(805,278)
									(6,646,543)

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	March 5, 2019	(4,500,000)	1.2435	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	March 5, 2019	4,500,000	2.24875	19,445
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	October 21, 2019	(2,500,000)	1.8075	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	October 21, 2019	2,500,000	2.1525	10,531
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	October 24, 2019	(2,750,000)	1.876	–

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

Scotia Private Floating Rate Income Pool (continued)

(formerly, Scotia Floating Rate Income Fund)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation (\$)
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	October 24, 2019	2,750,000	2.18	9,924
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	December 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	December 3, 2019	2,500,000	2.25	8,986
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	April 16, 2020	(6,500,000)	1.2499	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	April 16, 2020	6,500,000	2.115	94,177
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	March 22, 2021	(24,500,000)	1.4025	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	March 22, 2021	24,500,000	2.2975	480,898
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	December 3, 2021	(1,500,000)	2.1325	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	December 3, 2021	1,500,000	2.25	4,591
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	January 6, 2022	(22,000,000)	1.4503	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	January 6, 2022	22,000,000	2.0775	559,714
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	May 24, 2022	(23,500,000)	1.3243	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	May 24, 2022	23,500,000	2.23	725,760
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	August 2, 2022	(20,000,000)	1.8978	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	August 2, 2022	20,000,000	2.21	253,851
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	September 27, 2022	(23,500,000)	2.1562	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	September 27, 2022	23,500,000	2.30375	74,144
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	USD	November 1, 2022	(22,000,000)	2.08875	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Bank of Nova Scotia, The	USD	November 1, 2022	22,000,000	2.541	547,364
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 4, 2020	(20,000,000)	1.31	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 4, 2020	20,000,000	2.21	362,024
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 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	November 5, 2020	25,000,000	2.21	455,015
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 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	November 18, 2020	25,000,000	2.2375	455,100
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 20, 2020	(25,000,000)	1.2401	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 20, 2020	25,000,000	2.225	486,897
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 25, 2020	(25,000,000)	1.2305	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 25, 2020	25,000,000	2.23	490,794
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	December 21, 2020	(25,000,000)	1.1483	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	December 21, 2020	25,000,000	2.29625	532,320
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	March 29, 2021	(25,000,000)	0.9597	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	March 29, 2021	25,000,000	2.015	762,562
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	June 30, 2021	(5,000,000)	0.9349	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	June 30, 2021	5,000,000	2.015	181,752
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 12, 2021	(14,000,000)	0.9295	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 12, 2021	14,000,000	2.1	517,884
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 19, 2021	(25,000,000)	0.9682	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 19, 2021	25,000,000	2.1425	892,359
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	August 23, 2021	(25,000,000)	0.9348	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	August 23, 2021	25,000,000	2.23	929,908
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	August 25, 2021	(25,000,000)	0.9683	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	August 25, 2021	25,000,000	2.23	904,019
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	September 30, 2021	(21,500,000)	0.93875	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	September 30, 2021	21,500,000	2.015	801,797
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	December 7, 2021	(20,000,000)	1.3635	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	December 7, 2021	20,000,000	2.25375	507,003
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	March 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	March 7, 2022	15,000,000	2.25375	362,824
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	March 20, 2022	(22,500,000)	1.5348	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	March 20, 2022	22,500,000	2.29125	525,079
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	April 18, 2022	(25,000,000)	1.3085	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	April 18, 2022	25,000,000	2.13375	782,622
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	April 19, 2022	(20,000,000)	1.3261	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	April 19, 2022	20,000,000	2.1425	614,480
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	June 5, 2022	(23,000,000)	1.31	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	June 5, 2022	23,000,000	2.24875	724,432
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 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	July 26, 2022	48,000,000	2.18375	517,535
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	October 6, 2022	(18,500,000)	2.1482	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	October 6, 2022	18,500,000	2.0775	67,483
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 16, 2022	(25,000,000)	2.0439	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	November 16, 2022	25,000,000	2.22	200,716
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	December 11, 2022	(26,000,000)	2.0495	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	December 11, 2022	26,000,000	2.26875	207,111
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	June 3, 2019	(3,000,000)	1.9925	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	June 3, 2019	3,000,000	2.25	4,015
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	June 11, 2019	(8,500,000)	1.995	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	June 11, 2019	8,500,000	2.26875	11,466
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	July 11, 2019	(10,000,000)	1.9575	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	July 11, 2019	10,000,000	2.09375	17,882
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	September 24, 2019	(4,000,000)	2.025	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	September 24, 2019	4,000,000	2.2975	6,837
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	November 14, 2019	(3,000,000)	1.8975	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	November 14, 2019	3,000,000	2.215	10,359
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	November 21, 2019	(2,500,000)	1.91	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	November 21, 2019	2,500,000	2.2275	8,382
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	December 10, 2019	(4,450,000)	1.8055	–

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

Scotia Private Floating Rate Income Pool (continued)

(formerly, Scotia Floating Rate Income Fund)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Appreciation (\$)
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	December 10, 2019	4,450,000	2.76713	56,756
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	February 7, 2020	(10,000,000)	2.1875	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	February 7, 2020	10,000,000	2.21	1,384
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	February 11, 2020	(4,600,000)	1.215	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	February 11, 2020	4,600,000	2.2125	66,865
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	February 12, 2020	(3,500,000)	1.68	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	February 12, 2020	3,500,000	2.61813	41,135
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	2.21	14,579
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	June 1, 2020	(13,000,000)	1.385	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	June 1, 2020	13,000,000	2.25	164,693
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	May 31, 2021	(14,000,000)	1.4975	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	May 31, 2021	14,000,000	2.24875	249,739
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	October 4, 2021	(23,100,000)	0.95875	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	October 4, 2021	23,100,000	2.05	849,343
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	December 6, 2021	(20,000,000)	1.3801	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	December 6, 2021	20,000,000	2.24875	497,740
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	December 13, 2021	(20,000,000)	1.4701	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	December 13, 2021	20,000,000	2.2825	446,208
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	September 26, 2022	(22,500,000)	2.1692	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	September 26, 2022	22,500,000	2.30375	59,485
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	March 15, 2023	(11,000,000)	1.24	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	March 15, 2023	11,000,000	2.28875	475,982
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	February 4, 2019	(1,905,000)	1.9056	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	February 4, 2019	1,000,000	2.21	883
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	February 4, 2019	(5,000,000)	1.933	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	February 4, 2019	5,000,000	2.21	3,788
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	February 5, 2019	(25,000,000)	1.97	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	February 5, 2019	25,000,000	2.21	14,532
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May 15, 2019	(4,000,000)	1.8875	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May 15, 2019	4,000,000	2.2175	7,184
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	May 22, 2019	(5,000,000)	1.97	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	May 22, 2019	5,000,000	2.23	7,063
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	September 17, 2019	(5,000,000)	2.0525	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	September 17, 2019	5,000,000	2.28875	7,091
						<u>18,094,492</u>

UNREALIZED LOSS ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	(Depreciation) (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	USD	March 15, 2023	(9,000,000)	2.785	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Bank of Nova Scotia, The	USD	March 15, 2023	9,000,000	2.78819	(187,867)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	April 17, 2023	(20,000,000)	2.5118	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	April 17, 2023	20,000,000	2.12	(217,183)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	May 25, 2023	(21,500,000)	2.568	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	May 25, 2023	21,500,000	2.23	(276,483)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	CAD	June 5, 2023	(15,000,000)	2.5177	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Bank of Nova Scotia, The	CAD	June 5, 2023	15,000,000	2.24875	(159,718)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Bank of Nova Scotia, The	USD	October 2, 2023	(2,250,000)	3.0587	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Bank of Nova Scotia, The	USD	October 2, 2023	2,250,000	2.39838	(70,186)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	January 11, 2023	(15,000,000)	2.3209	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	January 11, 2023	15,000,000	2.09375	(58,291)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	USD	March 27, 2023	(6,250,000)	2.7774	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Canadian Imperial Bank of Commerce	USD	March 27, 2023	6,250,000	2.82163	(127,632)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	April 26, 2023	(20,000,000)	2.5471	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	April 26, 2023	20,000,000	2.18375	(244,000)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	May 17, 2023	(20,250,000)	2.7172	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	May 17, 2023	20,250,000	2.22375	(390,356)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	June 29, 2023	(7,000,000)	2.4241	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	June 29, 2023	7,000,000	2.015	(63,908)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 13, 2023	(3,000,000)	2.4181	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	July 13, 2023	3,000,000	2.10625	(24,699)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	August 28, 2023	(2,500,000)	2.5967	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	August 28, 2023	2,500,000	2.24	(40,152)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	September 28, 2023	(7,500,000)	2.6874	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	September 28, 2023	7,500,000	2.30625	(150,095)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Canadian Imperial Bank of Commerce	CAD	October 25, 2023	(10,000,000)	2.791	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Canadian Imperial Bank of Commerce	CAD	October 25, 2023	10,000,000	2.18125	(243,958)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	USD	March 7, 2019	(20,000,000)	1.623	–
Fixed to Floating Interest Rate Swap – USD-LIBOR-BBA Variable Rate Coupon	Merrill Lynch International	USD	March 7, 2019	20,000,000	2.76575	(31,358)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	February 6, 2020	(10,000,000)	2.2075	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	February 6, 2020	10,000,000	2.21	(1,509)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	March 6, 2020	(5,000,000)	2.24	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	March 6, 2020	5,000,000	2.24375	(2,576)

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

Scotia Private Floating Rate Income Pool (Continued)

(formerly, Scotia Floating Rate Income Fund)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	(Depreciation) (\$)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Merrill Lynch International	CAD	March 26, 2021	(3,000,000)	2.4225	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	Merrill Lynch International	CAD	March 26, 2021	3,000,000	2.30375	(15,420)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	TD Securities Inc.	CAD	February 26, 2021	(5,000,000)	2.342	–
Fixed to Floating Interest Rate Swap – CAD-BA-CDOR Variable Rate Coupon	TD Securities Inc.	CAD	February 26, 2021	5,000,000	2.23	(16,613)
						<u>(2,322,004)</u>

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

Scotia Private Floating Rate Income Pool (Continued) (formerly, Scotia Floating Rate Income Fund)

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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	66,782,595	13,122,433
1-3 years	515,993,811	414,430,931
3-5 years	587,330,612	670,153,154
5-10 years	82,517,590	148,875,928
> 10 years	41,724,353	39,258,568
	1,294,348,961	1,285,841,014

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$8,913,945 or approximately 0.6% (December 31, 2017 – \$9,814,377 or approximately 0.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	178,381,451	(178,181,170)	200,281	0.0
	178,381,451	(178,181,170)	200,281	0.0
Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	135,838,121	(137,098,164)	(1,260,043)	(0.1)
	135,838,121	(137,098,164)	(1,260,043)	(0.1)

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$20,028 or approximately 0.0% of net assets (December 31, 2017 – \$126,004 or approximately 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 direct price risk exposure to equities, underlying funds, derivatives or commodities as at December 31, 2018 or December 31, 2017.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	11.8	10.1	13.8	13.4
AA	28.4	24.3	28.3	27.4
A	21.4	18.3	19.4	18.8
BBB	35.1	30.2	36.2	35.2
BB	3.3	2.7	2.3	2.2
	100.0	85.6	100.0	97.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Corporate Bonds	79.8	84.9
Federal Bonds	2.2	2.0
Mortgage-Backed Securities	3.6	6.2
Provincial Bonds	–	3.9

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	1,278,576,473	–	1,278,576,473
Unrealized gain on currency forward contracts	–	49,612	–	49,612
Unrealized gain on swap contracts	–	18,094,492	–	18,094,492
	–	1,296,720,577	–	1,296,720,577
Unrealized loss on currency forward contracts	–	(6,646,543)	–	(6,646,543)
Unrealized loss on swap contracts	–	(2,322,004)	–	(2,322,004)
	–	1,287,752,030	–	1,287,752,030

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

Scotia Private Floating Rate Income Pool (Continued)

(formerly, Scotia Floating Rate Income Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency				
forward contracts	49,612	(44,510)	-	5,102
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	18,094,492	(2,322,004)	-	15,772,488
	18,144,104	(2,366,514)	-	15,777,590

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency				
forward contracts	6,646,543	(44,510)	-	6,602,033
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	2,322,004	(2,322,004)	-	-
	8,968,547	(2,366,514)	-	6,602,033

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

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Conservative Fixed Income Portfolio

(formerly, Scotia Conservative Income Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,819,214	3,495,202
Cash	29,711	13,622
Subscriptions receivable	6,535	1,375
Accrued investment income and other	23	11
	<u>2,855,483</u>	<u>3,510,210</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	2,000	—
Redemptions payable	15,768	—
Accrued expenses	—	9
Distributions payable	14	13
	<u>17,782</u>	<u>22</u>
Net assets attributable to holders of redeemable units	<u>2,837,701</u>	<u>3,510,188</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>2,837,701</u>	<u>3,510,188</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>9.52</u>	<u>9.58</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	—	241
Interest for distribution purposes	82,194	95,035
Net realized gain (loss) on non-derivative financial assets	(22,650)	(9,613)
Change in unrealized gain (loss) on non-derivative financial assets	1,368	(14,359)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	60,912	71,304
Other income	248	142
Total income (loss), net	<u>61,160</u>	<u>71,446</u>
EXPENSES		
Management fees (note 5)	32,811	42,601
Fixed administration fees (note 6)	2,983	3,873
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	139	48
Foreign withholding taxes/tax reclaims	—	31
Harmonized Sales Tax/Goods and Services Tax	3,977	5,052
Total expenses	<u>41,159</u>	<u>52,740</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>20,001</u>	<u>18,706</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>20,001</u>	<u>18,706</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>0.06</u>	<u>0.05</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	310,714	403,894

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,510,188	4,115,417
	<u>3,510,188</u>	<u>4,115,417</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	20,001	18,706
	<u>20,001</u>	<u>18,706</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(41,157)	(42,124)
	<u>(41,157)</u>	<u>(42,124)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	700,918	819,337
Reinvested distributions		
Series A	41,009	41,454
Payments on redemption		
Series A	(1,393,258)	(1,442,602)
	<u>(651,331)</u>	<u>(581,811)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(672,487)	(605,229)
	<u>(672,487)</u>	<u>(605,229)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,837,701	3,510,188
	<u>2,837,701</u>	<u>3,510,188</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	20,001	18,706
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	22,650	9,613
Change in unrealized (gain) loss on non-derivative financial assets	(1,368)	14,359
Other non-cash transactions	(81,950)	(95,011)
Purchases of non-derivative financial assets and liabilities	(384,451)	(307,001)
Proceeds from sale of non-derivative financial assets and liabilities	1,123,107	975,680
Accrued investment income and other	(12)	(3)
Accrued expenses and other payables	(9)	(142)
Net cash provided by (used in) operating activities	697,968	616,201
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	695,758	820,914
Amounts paid on redemption of redeemable units	(1,377,490)	(1,446,010)
Distributions to unitholders of redeemable units	(147)	(723)
Net cash provided by (used in) financing activities	(681,879)	(625,819)
Net increase (decrease) in cash	16,089	(9,618)
Cash (bank overdraft), beginning of period	13,622	23,240
CASH (BANK OVERDRAFT), END OF PERIOD	<u>29,711</u>	<u>13,622</u>
Interest paid ⁽¹⁾	139	48
Interest received, net of withholding taxes ⁽¹⁾	232	230

⁽¹⁾ Classified as operating items.

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

Scotia Conservative Fixed Income Portfolio (Continued)

(formerly, Scotia Conservative Income Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 99.3%			
Scotia Private Floating Rate Income Pool Series I [†]	80,693	803,967	788,194
Scotia Mortgage Income Fund Series I [†]	76,988	816,633	812,471
Scotia Private American Core-Plus Bond Pool Series I [†]	15,478	146,273	140,357
Scotia Private Short Term Bond Pool Series I [†]	112,072	1,104,801	1,078,192
		<u>2,871,674</u>	<u>2,819,214</u>
TOTAL INVESTMENT PORTFOLIO		<u>2,871,674</u>	2,819,214
OTHER ASSETS, LESS LIABILITIES – 0.7%			<u>18,487</u>
NET ASSETS – 100.0%			<u>2,837,701</u>

[†] Investment in related party (note 10)

Scotia Conservative Fixed Income Portfolio (Continued) (formerly, Scotia Conservative Income Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.3% (December 31, 2017 – 99.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$281,921 (December 31, 2017 – \$349,520). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Fixed Income Funds	99.3	99.6

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,819,214	–	–	2,819,214
	2,819,214	–	–	2,819,214

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Mortgage Income Fund Series I	812,471	0.7
Scotia Private Short Term Bond Pool Series I	1,078,192	0.3
Scotia Private Floating Rate Income Pool Series I	788,194	0.1
Scotia Private American Core-Plus Bond Pool Series I	140,357	0.0
	2,819,214	

Scotia Conservative Fixed Income Portfolio (Continued) (formerly, Scotia Conservative Income Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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

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

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

Scotia Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	49,500,309	63,717,312
Derivatives	–	125,716
Cash	–	184,502
Margin deposited on derivatives	–	44,297
Subscriptions receivable	67,437	18,218
Accrued investment income and other	217,908	370,658
	<u>49,785,654</u>	<u>64,460,703</u>
LIABILITIES		
Current liabilities		
Bank overdraft	6,211	–
Redemptions payable	69,206	76,466
Distributions payable	8	9
	<u>75,425</u>	<u>76,475</u>
Net assets attributable to holders of redeemable units	<u>49,710,229</u>	<u>64,384,228</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	49,392,770	64,287,911
Series I	316,410	95,294
Series M	1,049	1,023
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.02	10.16
Series I	10.03	10.17
Series M	9.63	9.76

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	2,102,606	2,642,441
Net realized gain (loss) on non-derivative financial assets	(1,522,604)	(160,602)
Change in unrealized gain (loss) on non-derivative financial assets	252,960	(645,053)
Net realized gain (loss) on derivatives	460,002	166,805
Change in unrealized gain (loss) on derivatives	(125,716)	125,716
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,167,248	2,129,307
Securities lending (note 11)	196	316
Other income	896	741
Total income (loss), net	<u>1,168,340</u>	<u>2,130,364</u>
EXPENSES		
Management fees (note 5)	612,544	782,139
Fixed administration fees (note 6)	39,012	49,779
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	–	35
Harmonized Sales Tax/Goods and Services Tax	71,672	91,344
Transaction costs	1,280	1,281
Total expenses	725,757	925,713
Expenses absorbed by the Manager	–	(1)
Net expenses	<u>725,757</u>	<u>925,712</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>442,583</u>	<u>1,204,652</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	436,804	1,204,077
Series I	5,753	548
Series M	26	27
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.08	0.17
Series I	0.36	0.17
Series M	0.24	0.26
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,544,964	6,962,038
Series I	15,839	3,263
Series M	107	103

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

Scotia Bond Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	64,287,911	78,190,764
Series I	95,294	1,133
Series M	1,023	996
	<u>64,384,228</u>	<u>78,192,893</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	436,804	1,204,077
Series I	5,753	548
Series M	26	27
	<u>442,583</u>	<u>1,204,652</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,377,789)	(1,734,278)
Series I	(5,809)	(1,269)
Series M	(39)	(38)
	<u>(1,383,637)</u>	<u>(1,735,585)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	5,921,563	7,020,534
Series I	257,382	116,032
Reinvested distributions		
Series A	1,351,073	1,696,298
Series I	5,809	1,269
Series M	39	38
Payments on redemption		
Series A	(21,226,792)	(22,089,484)
Series I	(42,019)	(22,419)
	<u>(13,732,945)</u>	<u>(13,277,732)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(14,895,141)	(13,902,853)
Series I	221,116	94,161
Series M	26	27
	<u>(14,673,999)</u>	<u>(13,808,665)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	49,392,770	64,287,911
Series I	316,410	95,294
Series M	1,049	1,023
	<u>49,710,229</u>	<u>64,384,228</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	442,583	1,204,652
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,522,604	160,602
Change in unrealized (gain) loss on non-derivative financial assets	(252,960)	645,053
Change in unrealized (gain) loss on derivatives	125,716	(125,716)
Purchases of non-derivative financial assets and liabilities	(44,668,661)	(59,493,395)
Proceeds from sale of non-derivative financial assets and liabilities	57,616,020	72,632,728
Margin deposited on derivatives	44,297	(44,297)
Accrued investment income and other	152,750	225,759
Accrued expenses and other payables	-	(2,777)
Net cash provided by (used in) operating activities	<u>14,982,349</u>	<u>15,202,609</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,129,726	7,143,302
Amounts paid on redemption of redeemable units	(21,276,071)	(22,145,562)
Distributions to unitholders of redeemable units	(26,717)	(37,994)
Net cash provided by (used in) financing activities	<u>(15,173,062)</u>	<u>(15,040,254)</u>
Net increase (decrease) in cash	(190,713)	162,355
Cash (bank overdraft), beginning of period	184,502	22,147
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(6,211)</u>	<u>184,502</u>
Interest paid ⁽¹⁾	-	35
Interest received, net of withholding taxes ⁽¹⁾	2,255,357	2,868,201

⁽¹⁾ Classified as operating items.

Scotia Bond Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 99.6%			
Corporate Bonds – 29.6%			
407 International Inc. (Callable) 3.60% Nov 21, 2046	500,000	525,285	484,197
Apple Inc. 2.51% Aug 19, 2024	600,000	599,999	583,479
Bank of Montreal 3.19% Mar 01, 2028	500,000	496,030	500,730
Bank of Nova Scotia, The 3.10% Feb 02, 2028 [†]	500,000	499,830	496,992
Bell Canada Inc. (Callable) 3.80% May 21, 2028	450,000	449,483	445,698
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	525,000	525,000	532,370
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	600,000	598,080	598,898
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	295,000	293,917	292,609
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	550,000	549,918	549,494
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	500,000	499,830	468,779
Greater Toronto Airports Authority 3.26% Jun 01, 2037	500,000	499,660	484,412
Great-West Lifeco Inc. 6.67% Mar 21, 2033	450,000	478,122	587,700
Honda Canada Finance Inc. 2.27% Jul 15, 2022	500,000	500,000	487,870
HSBC Bank of Canada 2.94% Jan 14, 2020	550,000	550,000	551,948
John Deere Canada Funding Inc. 2.05% May 13, 2022	600,000	599,520	585,023
McDonald's Corporation 3.13% Mar 04, 2025	600,000	598,668	590,711
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	500,000	499,675	480,139
Rogers Communications Inc. 4.00% Jun 06, 2022	600,000	597,600	615,534
Royal Bank of Canada 2.36% Dec 05, 2022	600,000	599,946	588,918
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	600,000	598,506	580,917
TELUS Corporation (Callable) 3.35% Jan 02, 2024	500,000	497,175	497,699
Teranet Holdings LP 5.75% Dec 17, 2040	500,000	500,000	509,194
Toronto Hydro Corporation 3.54% Nov 18, 2021	525,000	524,738	538,203
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	500,000	500,000	507,161
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	525,000	524,659	518,123
VW Credit Canada Inc. 3.25% Mar 29, 2023	500,000	499,405	494,488
Walt Disney Co, The 2.76% Oct 07, 2024	600,000	600,000	590,571
Wells Fargo & Company 2.51% Oct 27, 2023	600,000	600,000	575,527
		<u>14,805,046</u>	<u>14,737,384</u>
Federal Bonds – 38.3%			
Canada Housing Trust No. 1 2.65% Dec 15, 2028	3,220,000	3,157,350	3,256,414
Government of Canada 5.00% Jun 01, 2037	2,425,000	3,401,434	3,473,375
Government of Canada 5.75% Jun 01, 2033	8,445,000	12,668,177	12,298,927
		<u>19,226,961</u>	<u>19,028,716</u>
Provincial Bonds – 31.7%			
Province of British Columbia 5.70% Jun 18, 2029	3,120,000	4,039,756	3,930,661
Province of Ontario 4.20% Jun 02, 2020	7,240,000	7,519,289	7,457,509
Province of Ontario 5.60% Jun 02, 2035	3,300,000	4,368,837	4,346,039
		<u>15,927,882</u>	<u>15,734,209</u>
TOTAL INVESTMENT PORTFOLIO		<u>49,959,889</u>	<u>49,500,309</u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>209,920</u>
NET ASSETS – 100.0%			<u>49,710,229</u>

[†] Investment in related party (note 10)

Scotia Bond Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	–	215,008
1-3 years	8,547,660	12,056,520
3-5 years	4,414,977	5,175,194
5-10 years	9,954,388	7,030,776
> 10 years	26,583,284	39,365,530
	49,500,309	63,843,028

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$971,312 or approximately 2.0% (December 31, 2017 – \$1,240,185 or approximately 1.9%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	46.4	46.2	43.1	42.6
AA	6.6	6.6	5.5	5.4
A	38.0	37.8	41.5	41.2
BBB	9.0	9.0	9.9	9.8
	100.0	99.6	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. 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, 2018	December 31, 2017
Corporate Bonds	29.6	30.5
Federal Bonds	38.3	36.4
Provincial Bonds	31.7	32.1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	49,500,309	–	49,500,309
	–	49,500,309	–	49,500,309

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

Scotia Bond 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, 2018 and December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Canadian Income Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	6,176,349,519	5,921,811,420
Derivatives	3,555,504	21,148,954
Cash	64,922,910	38,709,130
Margin deposited on derivatives	12,348,465	9,047,796
Subscriptions receivable	3,534,709	2,421,896
Accrued investment income and other	38,123,299	32,420,983
	<u>6,298,834,406</u>	<u>6,025,560,179</u>
LIABILITIES		
Current liabilities		
Redemptions payable	2,936,656	1,801,587
Distributions payable	890	314
	<u>2,937,546</u>	<u>1,801,901</u>
Net assets attributable to holders of redeemable units	<u>6,295,896,860</u>	<u>6,023,758,278</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	580,829,666	707,860,582
Advisor Series	425,740	1,707,715
Series F	689,053	887,626
Series I	4,810,261,987	4,542,188,794
Series K	53,711,349	29,024,148
Series M	849,979,065	742,089,413
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.33	13.46
Advisor Series	13.31	13.44
Series F	13.31	13.43
Series I	13.28	13.41
Series K	9.29	9.37
Series M	13.29	13.39

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	209,097,450	214,526,979
Net realized gain (loss) on non-derivative financial assets	(22,288,334)	5,423,897
Change in unrealized gain (loss) on non-derivative financial assets	(57,563,690)	(90,638,840)
Net realized gain (loss) on derivatives	122,763,789	31,078,912
Change in unrealized gain (loss) on derivatives	(17,593,450)	23,494,645
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	234,415,765	183,885,593
Securities lending (note 11)	152,364	112,336
Net realized and unrealized foreign currency translation gain (loss)	81,107	(233,664)
Other income	5,659	12,071
Total income (loss), net	<u>234,654,895</u>	<u>183,776,336</u>
EXPENSES		
Management fees (note 5)	7,551,081	9,341,184
Fixed administration fees and operating expenses (note 6)	1,566,771	1,619,316
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	60,058	22,102
Harmonized Sales Tax/Goods and Services Tax	1,018,791	1,196,206
Transaction costs	776,693	476,263
Total expenses	10,974,643	12,656,206
Expenses absorbed by the Manager	-	(239,997)
Net expenses	<u>10,974,643</u>	<u>12,416,209</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>223,680,252</u>	<u>171,360,127</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	13,990,763	14,491,790
Advisor Series	13,734	34,160
Series F	17,640	18,327
Series I	175,952,839	135,361,740
Series K	1,790,426	285,637
Series M	31,914,850	21,168,473
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.30	0.25
Advisor Series	0.14	0.24
Series F	0.34	0.35
Series I	0.51	0.41
Series K	0.41	0.15
Series M	0.53	0.36
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	47,318,318	57,151,069
Advisor Series	100,206	143,254
Series F	51,644	53,062
Series I	344,180,273	332,798,513
Series K	4,379,678	1,960,452
Series M	60,268,833	58,988,986

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

Scotia Canadian Income Fund (continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	707,860,582	839,983,193
Advisor Series	1,707,715	2,247,983
Series F	887,626	572,810
Series I	4,542,188,794	4,352,388,323
Series K	29,024,148	5,396,576
Series M	742,089,413	1,051,037,837
	<u>6,023,758,278</u>	<u>6,251,626,722</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	13,990,763	14,491,790
Advisor Series	13,734	34,160
Series F	17,640	18,327
Series I	175,952,839	135,361,740
Series K	1,790,426	285,637
Series M	31,914,850	21,168,473
	<u>223,680,252</u>	<u>171,360,127</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(14,823,943)	(17,180,664)
Advisor Series	(30,201)	(42,455)
Series F	(19,616)	(20,994)
Series I	(168,027,043)	(159,074,365)
Series K	(1,483,107)	(659,702)
Series M	(28,821,514)	(27,257,592)
From net realized gains on investments		
Series A	(6,067,354)	–
Advisor Series	(4,562)	–
Series F	(6,526)	–
Series I	(50,240,256)	–
Series K	(536,230)	–
Series M	(8,716,552)	–
	<u>(278,776,904)</u>	<u>(204,235,772)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	28,265,843	41,380,113
Series F	448,778	692,579
Series I	490,893,323	185,709,005
Series K	29,972,852	27,338,440
Series M	278,780,416	189,722,815
Reinvested distributions		
Series A	20,444,484	16,808,795
Advisor Series	11,777	13,790
Series F	13,268	12,825
Series I	181,090,362	134,042,756
Series K	2,019,336	659,702
Series M	34,053,356	23,923,472
Payments on redemption		
Series A	(168,840,709)	(187,622,645)
Advisor Series	(1,272,723)	(545,763)
Series F	(652,117)	(387,921)
Series I	(361,596,032)	(106,238,665)
Series K	(7,076,076)	(3,996,505)
Series M	(199,320,904)	(516,505,592)
	<u>327,235,234</u>	<u>(194,992,799)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(127,030,916)	(132,122,611)
Advisor Series	(1,281,975)	(540,268)
Series F	(198,573)	314,816
Series I	268,073,193	189,800,471
Series K	24,687,201	23,627,572
Series M	107,889,652	(308,948,424)
	<u>272,138,582</u>	<u>(227,868,444)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	580,829,666	707,860,582
Advisor Series	425,740	1,707,715
Series F	689,053	887,626
Series I	4,810,261,987	4,542,188,794
Series K	53,711,349	29,024,148
Series M	849,979,065	742,089,413
	<u>6,295,896,860</u>	<u>6,023,758,278</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	223,680,252	171,360,127
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	22,288,334	(5,423,897)
Change in unrealized (gain) loss on non-derivative financial assets	57,563,690	90,638,840
Change in unrealized (gain) loss on derivatives	17,593,450	(23,494,645)
Unrealized foreign currency translation (gain) loss	91,450	(906)
Purchases of non-derivative financial assets and liabilities	(1,923,270,878)	(6,117,087,196)
Proceeds from sale of non-derivative financial assets and liabilities	1,588,880,753	6,258,777,378
Margin deposited on derivatives	(3,300,669)	9,503,425
Accrued investment income and other	(5,702,316)	13,994,596
Accrued expenses and other payables	–	(39,556)
Net cash provided by (used in) operating activities	<u>(22,175,934)</u>	<u>398,228,166</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	825,311,424	443,668,112
Amounts paid on redemption of redeemable units	(735,686,515)	(814,804,519)
Distributions to unitholders of redeemable units	(41,143,745)	(28,774,117)
Net cash provided by (used in) financing activities	48,481,164	(399,910,524)
Unrealized foreign currency translation gain (loss)	(91,450)	906
Net increase (decrease) in cash	26,305,230	(1,682,358)
Cash (bank overdraft), beginning of period	38,709,130	40,390,582
CASH (BANK OVERDRAFT), END OF PERIOD	<u>64,922,910</u>	<u>38,709,130</u>
Interest paid ⁽¹⁾	60,058	22,102
Interest received, net of withholding taxes ⁽¹⁾	203,395,134	228,521,575

⁽¹⁾ Classified as operating items.

Scotia Canadian Income Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 98.1%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 28.8%				Federal Bonds – 58.5%			
407 International Inc. (Callable) 3.60% Nov 21, 2046	44,400,000	46,645,308	42,996,676	Canada Housing Trust No 1 2.35% Jun 15, 2027	252,360,000	251,273,350	250,099,384
407 International Inc. (Callable) 4.30% Feb 26, 2021	15,000,000	15,433,280	15,521,922	Canada Housing Trust No. 1 2.00% Dec 15, 2019	17,700,000	17,701,353	17,719,778
AltaLink LP. (Callable) 3.40% Mar 06, 2024	31,000,000	31,000,000	31,838,010	Canada Housing Trust No. 1 2.35% Mar 15, 2028	19,565,000	18,943,225	19,316,592
Apple Inc. 2.51% Aug 19, 2024	45,000,000	45,000,000	43,760,993	Canada Housing Trust No. 1 2.65% Dec 15, 2028	145,400,000	143,189,752	147,044,263
Bank of Montreal 2.70% Dec 09, 2026	30,000,000	29,994,900	29,169,082	Canada Housing Trust No. 1 2.65% Mar 15, 2028	372,700,000	372,731,696	377,099,172
Bank of Montreal 3.19% Mar 01, 2028	43,000,000	42,658,580	43,062,743	Government of Canada 0.75% Aug 01, 2019	482,030,000	476,099,718	479,234,298
Bank of Nova Scotia, The (Callable) 2.58% Mar 30, 2022 [†]	30,000,000	29,992,500	29,253,098	Government of Canada 1.25% Nov 01, 2019	14,180,000	14,057,003	14,116,198
Bank of Nova Scotia, The 2.62% Dec 02, 2026 [†]	30,000,000	29,734,500	28,968,628	Government of Canada 5.75% Jun 01, 2029	622,950,000	881,399,350	841,737,042
Bank of Nova Scotia, The 3.10% Feb 02, 2028 [†]	52,500,000	52,482,150	52,184,134	Government of Canada 5.75% Jun 01, 2029 (pledged as collateral)	43,000,000	60,839,830	58,102,083
Bell Canada Inc. (Callable) 3.80% May 21, 2028	61,040,000	60,969,804	60,456,502	Government of Canada 5.75% Jun 01, 2033	1,015,605,000	1,500,079,953	1,479,082,466
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	59,475,000	59,475,000	60,309,874			3,736,315,230	3,683,551,276
Canadian National Railway Company (Callable) 3.95% Mar 22, 2045	60,000,000	62,814,480	61,868,979				
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	26,000,000	25,904,580	25,789,240	Provincial Bonds – 10.8%			
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	40,000,000	39,994,000	39,963,230	Province of British Columbia 5.70% Jun 18, 2029	32,185,000	41,910,789	40,547,543
CU Inc. 4.80% Nov 22, 2021	27,750,000	28,864,916	29,415,098	Province of Ontario 6.50% Mar 08, 2029	486,390,000	682,606,130	639,490,834
Enbridge Gas Distribution Inc. (Callable) 3.51% May 29, 2047	29,000,000	29,000,000	27,187,157			724,516,919	680,038,377
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	12,310,000	12,374,152	11,541,341	TOTAL INVESTMENT PORTFOLIO		6,306,741,764	6,176,349,519
Ford Credit Canada Company 2.71% Feb 23, 2022	30,000,000	30,000,000	28,466,280	Unrealized Gain (Loss) on Derivatives – 0.1%			3,555,504
Ford Credit Canada Ltd. 2.58% May 10, 2021	39,255,000	39,255,000	37,885,480	OTHER ASSETS, LESS LIABILITIES – 1.8%			115,991,837
Fortified Trust 1.67% Jul 23, 2021	45,570,000	45,570,000	44,355,625	NET ASSETS – 100.0%			6,295,896,860
Genesis Trust II 1.70% Apr 15, 2020	25,000,000	25,000,000	24,742,485				
Greater Toronto Airports Authority 3.26% Jun 01, 2037	47,450,000	47,417,734	45,970,670				
Great-West Lifeco Inc. 6.67% Mar 21, 2033	38,790,000	42,165,238	50,659,749				
Honda Canada Finance Inc. 2.27% Jul 15, 2022	51,000,000	51,000,000	49,762,742				
HSBC Bank of Canada 2.94% Jan 14, 2020	44,000,000	44,000,000	44,155,815				
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	36,000,000	35,888,760	35,419,307				
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	31,000,000	30,933,040	29,796,929				
Hydro-Quebec 11.00% Aug 15, 2020	34,350,000	54,597,660	39,213,531				
John Deere Canada Funding Inc. 2.05% May 13, 2022	24,900,000	24,880,080	24,278,461				
John Deere Canada Funding Inc. 2.70% Jan 17, 2023	40,000,000	39,992,400	39,706,111				
McDonald's Corporation 3.13% Mar 04, 2025	40,000,000	39,911,200	39,380,729				
NAV Canada (Callable) 3.29% Sep 30, 2047	13,000,000	13,000,000	12,552,217				
Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	25,775,000	25,758,246	24,751,164				
Rogers Communications Inc. 4.00% Jun 06, 2022	55,000,000	54,780,000	56,424,068				
Royal Bank of Canada (Callable) 2.48% Jun 04, 2020	25,700,000	25,695,117	25,540,063				
Royal Bank of Canada 2.36% Dec 05, 2022	60,000,000	59,994,600	58,891,754				
Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	53,630,000	53,365,361	51,924,274				
TELUS Corporation (Callable) 3.35% Jan 02, 2024	41,465,000	41,057,823	41,274,160				
TELUS Corporation (Callable) 3.75% Dec 10, 2025	30,000,000	30,028,200	30,141,812				
Teranet Holdings LP 5.75% Dec 17, 2040	43,500,000	44,141,328	44,299,851				
Toronto Hydro Corporation 3.54% Nov 18, 2021	22,000,000	22,062,673	22,553,266				
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	60,000,000	60,661,310	60,859,372				
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	29,885,000	29,865,575	29,493,516				
TransCanada Pipelines Ltd. (Callable) 3.30% Apr 17, 2025	25,000,000	25,782,250	24,899,450				
VW Credit Canada Inc. 3.25% Mar 29, 2023	27,000,000	26,967,870	26,702,348				
Walt Disney Co, The 2.76% Oct 07, 2024	55,000,000	55,000,000	54,135,744				
Wells Fargo & Company 2.09% Apr 25, 2022	29,300,000	29,300,000	28,339,058				
Wells Fargo & Company 2.98% May 19, 2026	55,500,000	55,500,000	52,897,128				
		1,845,909,615	1,812,759,866				

[†] Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
BOND FUTURES CONTRACTS							
Mar. 2019	3,000	U.S. 10 Year Treasury Note Futures	BMO Capital Markets	A-1	495,771,821	499,327,324	3,555,504
							3,555,504

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 investment 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

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	514,625,778	439,018,561
1-3 years	283,383,285	484,648,683
3-5 years	411,280,666	545,327,049
5-10 years	1,614,578,686	930,261,362
> 10 years	3,356,036,608	3,543,704,719
	6,179,905,023	5,942,960,374

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$116,131,179 or approximately 1.8% (December 31, 2017 – \$113,654,254 or approximately 1.9%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	2,969,746	–	2,969,746	0.0
	2,969,746	–	2,969,746	0.0

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$296,975 or approximately 0.0% of net assets (December 31, 2017 – \$5,456 or approximately 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 direct price risk exposure to equities, underlying funds, derivatives or commodities as at December 31, 2018 or December 31, 2017.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	61.5	60.2	58.8	57.9
AA	5.4	5.3	4.7	4.5
A	25.1	24.8	26.4	26.0
BBB	8.0	7.9	10.1	9.9
	100.0	98.2	100.0	98.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Corporate Bonds	28.8	30.6
Federal Bonds	58.5	55.6
Municipal Bonds	–	0.4
Provincial Bonds	10.8	11.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	6,176,349,519	–	6,176,349,519
Unrealized gain on futures contracts	3,555,504	–	–	3,555,504
	3,555,504	6,176,349,519	–	6,179,905,023

Scotia Canadian Income Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Total Return Bond Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	539,427,367	446,108,033
Derivatives	263,483	1,325,998
Cash	6,299,722	25,121,140
Margin deposited on derivatives	5,284,707	939,442
Subscriptions receivable	1,758,898	1,676,055
Accrued investment income and other	2,619,633	2,255,824
	<u>555,653,810</u>	<u>477,426,492</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,956,393	380,985
Redemptions payable	706,852	276,792
Accrued expenses	—	8
Distributions payable	—	3,283
	<u>2,663,245</u>	<u>661,068</u>
Net assets attributable to holders of redeemable units	<u>552,990,565</u>	<u>476,765,424</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	552,990,565	476,765,424
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	<u>9.95</u>	<u>9.97</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	13,920,775	8,962,423
Net realized gain (loss) on non-derivative financial assets	(11,783,553)	636,908
Change in unrealized gain (loss) on non-derivative financial assets	11,190,638	(4,394,552)
Net realized gain (loss) on derivatives	2,173,589	7,161,191
Change in unrealized gain (loss) on derivatives	(2,637,922)	945,013
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	12,863,527	13,310,983
Securities lending (note 11)	52,255	248
Net realized and unrealized foreign currency translation gain (loss)	206,310	327,190
Other income	—	1
Total income (loss), net	<u>13,122,092</u>	<u>13,638,422</u>
EXPENSES		
Management fees (note 5)	368,867	394,563
Fixed administration fees (note 6)	105,391	78,681
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	14,268	5,648
Foreign withholding taxes/tax reclaims	35,997	31,493
Harmonized Sales Tax/Goods and Services Tax	42,968	32,246
Transaction costs	157,518	568
Total expenses	<u>726,258</u>	<u>544,334</u>
Expenses absorbed by the Manager	—	(119,178)
Net expenses	<u>726,258</u>	<u>425,156</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>12,395,834</u>	<u>13,213,266</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	<u>12,395,834</u>	<u>13,213,266</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT¹		
Series M	<u>0.23</u>	<u>0.34</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	53,381,247	39,176,276

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	476,765,424	150,082
	<u>476,765,424</u>	<u>150,082</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	12,395,834	13,213,266
	<u>12,395,834</u>	<u>13,213,266</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(12,863,276)	(8,125,070)
From net realized gains on investments		
Series M	—	(7,411,724)
	<u>(12,863,276)</u>	<u>(15,536,794)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	200,645,777	558,827,467
Reinvested distributions		
Series M	12,356,389	15,384,860
Payments on redemption		
Series M	(136,309,583)	(95,273,457)
	<u>76,692,583</u>	<u>478,938,870</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	76,225,141	476,615,342
	<u>76,225,141</u>	<u>476,615,342</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	552,990,565	476,765,424
	<u>552,990,565</u>	<u>476,765,424</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	12,395,834	13,213,266
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	11,783,553	(636,908)
Change in unrealized (gain) loss on non-derivative financial assets	(11,190,638)	4,394,552
Change in unrealized (gain) loss on derivatives	2,637,922	(945,013)
Unrealized foreign currency translation (gain) loss	55,241	(52,447)
Other non-cash transactions	(20,478)	—
Purchases of non-derivative financial assets and liabilities	(1,948,209,196)	(1,135,376,214)
Proceeds from sale of non-derivative financial assets and liabilities	1,854,317,426	685,510,537
Margin deposited on derivatives	(4,345,265)	(939,442)
Accrued investment income and other	(363,809)	(2,255,769)
Accrued expenses and other payables	(8)	8
Net cash provided by (used in) operating activities	<u>(82,939,418)</u>	<u>(437,087,430)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	200,562,934	557,151,412
Amounts paid on redemption of redeemable units	(135,879,523)	(94,996,665)
Distributions to unitholders of redeemable units	(510,170)	(148,651)
Net cash provided by (used in) financing activities	64,173,241	462,006,096
Unrealized foreign currency translation gain (loss)	(55,241)	52,447
Net increase (decrease) in cash	(18,766,177)	24,918,666
Cash (bank overdraft), beginning of period	25,121,140	150,027
CASH (BANK OVERDRAFT), END OF PERIOD	<u>6,299,722</u>	<u>25,121,140</u>
Interest paid ⁽¹⁾	14,268	5,648
Interest received, net of withholding taxes ⁽¹⁾	13,500,492	6,675,162

⁽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, 2018

Issuer	Number of Units/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 0.6%				BONDS AND DEBTURES (cont'd)			
1832 AM Investment Grade U.S. Corporate Bond Pool Series II	246,011	3,251,253	3,388,008	Corporate Bonds (cont'd)			
BONDS AND DEBTURES – 96.9%				North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024	1,287,000	1,321,581	1,283,427
Corporate Bonds – 34.0%				OMERS Realty Corporation (Callable) 3.33% Apr 05, 2025	3,516,000	3,516,000	3,572,757
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	2,000,000	2,185,020	2,062,396	Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	952,000	932,257	925,905
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	800,000	804,343	800,251	Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024	1,449,000	1,465,553	1,433,401
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025	2,284,000	2,313,460	2,253,225	Royal Bank of Canada (Callable) 3.04% Jul 17, 2019	1,214,000	1,221,497	1,216,351
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022	2,000,000	2,059,140	2,018,960	Royal Bank of Canada 1.65% Jul 15, 2021	6,532,000	6,324,407	6,359,677
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	823,000	829,029	811,370	Royal Bank of Canada 2.00% Mar 21, 2022	12,314,000	11,911,013	12,010,425
AltaLink LP. (Callable) 3.40% Mar 06, 2024	838,000	863,534	860,653	Royal Bank of Canada 2.36% Dec 05, 2022	4,711,000	4,668,879	4,623,984
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide Inc. (Callable) 3.65% Nov 01, 2025	USD 2,120,000	2,816,554	2,734,414	Royal Bank of Canada 2.95% May 01, 2023	2,240,000	2,234,572	2,245,000
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	2,244,000	2,184,876	2,131,787	ServiceMaster Company LLC, The 7.45% Aug 15, 2027	USD 666,000	932,329	938,022
Anheuser-Busch InBev Finance Inc. 3.38% Jan 25, 2023	1,566,000	1,570,494	1,564,094	TELUS Corporation (Callable) 3.75% Oct 17, 2024	2,500,000	2,643,125	2,526,436
Apple Inc. 2.51% Aug 19, 2024	2,154,000	2,088,912	2,094,693	TMX Group Ltd. 3.00% Dec 11, 2024	1,349,000	1,349,000	1,331,081
APT Pipelines Ltd. (Callable) 4.20% Dec 23, 2024	USD 2,706,000	3,587,589	3,595,140	Toronto-Dominion Bank, The (Callable) 3.59% Sep 14, 2023	2,410,000	2,410,000	2,400,526
APT Pipelines Ltd. 4.25% Jul 24, 2019	957,000	1,002,649	965,448	Toronto-Dominion Bank, The 1.99% Mar 23, 2022	2,324,000	2,257,046	2,268,638
Bank of America Corporation (Callable) 2.60% Mar 15, 2022	1,625,000	1,588,806	1,593,198	Toronto-Dominion Bank, The 3.01% May 30, 2023	9,259,000	9,255,749	9,313,952
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	USD 2,162,000	2,714,937	2,848,721	Toronto-Dominion Bank, The 3.23% Jul 24, 2024	736,000	757,344	746,542
Bank of America Corporation 3.23% Jun 22, 2022	2,437,000	2,502,250	2,442,327	United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024	2,594,000	2,521,958	2,474,106
Bank of Montreal (Callable) 3.12% Sep 19, 2019	215,000	217,587	215,512	Ventas Canada Finance Ltd. (Callable) 2.55% Feb 15, 2023	362,000	352,950	350,226
Bank of Montreal 1.61% Oct 28, 2021	6,684,000	6,493,688	6,478,876	Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024	573,000	598,066	587,697
Bank of Montreal 2.89% Jun 20, 2023	2,750,000	2,735,053	2,748,488	Walt Disney Co, The 2.76% Oct 07, 2024	965,000	957,790	949,836
Bank of Montreal 3.19% Mar 01, 2028	1,531,000	1,518,844	1,533,234	Wells Fargo & Company 2.09% Apr 25, 2022	4,947,000	4,851,791	4,784,755
Bank of Nova Scotia, The 2.13% Jun 15, 2020 [†]	7,318,000	7,248,260	7,273,755			189,829,175	188,281,108
Bank of Nova Scotia, The 2.98% Apr 17, 2023 [†]	6,841,000	6,809,539	6,855,203	Federal Bonds – 44.9%			
bdlMC Realty Corporation 3.51% Jun 29, 2022	749,000	780,342	766,648	Canada Housing Trust No. 1 2.65% Dec 15, 2028	33,314,000	32,664,853	33,691,940
Bell Canada (Callable) 4.70% Jun 11, 2023	3,184,000	3,430,609	3,353,964	Canada Housing Trust No. 1 2.65% Mar 15, 2028	4,450,000	4,376,028	4,502,526
Bell Canada Inc. (Callable) 3.80% May 21, 2028	1,400,000	1,398,390	1,386,617	Canadian Government Real Return Bond 0.50% Dec 01, 2050	2,423,000	2,317,510	2,314,982
Bow Centre Street LP 3.80% Jun 13, 2023	998,000	967,561	978,657	Canadian Government Real Return Bond 4.00% Dec 01, 2031	4,351,000	9,129,158	9,016,534
BP Capital Markets PLC 3.47% May 15, 2025	1,679,000	1,680,622	1,682,311	Canadian Government Real Return Bond 4.25% Dec 01, 2026	3,482,000	6,903,982	6,811,604
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	3,550,000	3,843,684	3,689,676	Government of Canada 2.00% Dec 01, 2051	29,282,000	26,489,691	28,020,332
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	2,303,000	2,580,648	2,428,268	Government of Canada 2.00% Jun 01, 2028	31,853,000	30,767,561	31,953,015
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	1,525,000	1,507,276	1,491,076	Government of Canada 2.25% Jun 01, 2029	87,037,000	85,998,519	89,243,868
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	1,509,000	1,628,697	1,566,125	Government of Canada 2.75% Dec 01, 2048	7,954,000	8,745,253	8,944,558
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	1,086,000	1,067,104	1,065,880	Government of Canada Bonds 1.00% Jun 01, 2027	15,233,000	14,001,290	14,121,286
Canadian Imperial Bank of Commerce 2.90% Sep 14, 2021	4,784,000	4,781,178	4,799,979	Government of New Zealand 4.50% Apr 15, 2027	NZD 2,195,000	2,117,142	2,220,689
Choice Properties Real Estate Investment Trust (Callable) 3.56% Jul 09, 2024	6,650,000	6,643,079	6,551,479	Mexican Bonos 6.50% Jun 10, 2021	MXN 146,305,000	9,854,760	9,720,668
CI Financial Corporation 2.65% Dec 07, 2020	277,000	277,139	275,108	New Zealand Local Government Funding Agency 2.75% Apr 15, 2025	NZD 8,301,000	7,492,424	7,585,397
CI Financial Corporation 3.90% Sep 27, 2027	1,644,000	1,644,000	1,612,750			240,858,171	248,147,399
Cominar Real Estate Investment Trust 4.25% Dec 08, 2021	502,000	518,305	499,578	Mortgage-Backed Securities – 0.4%			
Co-operators Financial Services Ltd. 5.78% Mar 10, 2020	1,158,000	1,249,598	1,193,448	Canadian Credit Card Trust II 1.83% Mar 24, 2020	2,336,000	2,346,908	2,316,248
Daimler Canada Finance Inc. 1.57% May 25, 2020	865,000	845,659	850,268	Provincial Bonds – 17.6%			
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	2,450,000	2,431,233	2,384,634	Province of Manitoba 3.00% Jun 02, 2028	6,543,000	6,464,091	6,596,044
Dollarama Inc. 2.34% Jul 22, 2021	768,000	773,680	751,397	Province of Manitoba 3.40% Sep 05, 2048	5,402,000	5,535,444	5,460,513
Enbridge Inc. (Callable) 3.94% Mar 30, 2023	1,941,000	1,992,605	1,985,936	Province of Ontario 2.90% Jun 02, 2028	3,793,000	3,734,460	3,817,884
Enbridge Inc. (Floating Rate) 6.63% Apr 12, 2078	770,000	795,502	773,982	Province of Ontario 2.90% Jun 02, 2049	25,030,000	23,381,776	23,707,756
Enbridge Southern Lights LP 4.01% Jun 30, 2040	553,354	555,899	544,141	Province of Ontario 4.25% Aug 22, 2024	AUD 1,175,000	1,247,364	1,223,593
Energcare Solutions Inc. 4.60% Feb 03, 2020	2,000,000	2,121,640	2,032,291	Province of Quebec 2.75% Sep 01, 2028	22,877,000	22,428,439	22,842,950
First Capital Realty Inc. 4.32% Jul 31, 2025	1,038,000	1,066,119	1,056,004	Province of Quebec 3.50% Dec 01, 2048	16,421,000	17,465,479	17,584,989
Fortis Inc. (Callable) 2.85% Oct 12, 2023	2,799,000	2,816,054	2,760,157	Queensland Treasury Corporation 2.75% Aug 20, 2027	AUD 16,731,000	16,088,721	16,060,875
Fortis Inc. 3.06% Oct 04, 2026	USD 300,000	354,814	374,867			96,345,774	97,294,604
Heathrow Funding Ltd. 3.00% Jun 17, 2021	2,385,000	2,461,752	2,387,015	TOTAL BONDS AND DEBTURES		529,380,028	536,039,359
Heathrow Funding Ltd. 3.25% May 21, 2025	1,287,000	1,297,282	1,282,767	TOTAL INVESTMENT PORTFOLIO		532,631,281	539,427,367
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	1,493,000	1,553,270	1,531,538	Unrealized Gain (Loss) on Derivatives – (0.3%)			(1,692,910)
Inter Pipeline Ltd. 4.97% Feb 02, 2021	773,000	831,052	801,384	OTHER ASSETS, LESS LIABILITIES – 2.8%			15,256,108
International Bank for Reconstruction & Development 3.50% Jan 22, 2021	NZD 5,329,000	4,868,446	5,008,029	NET ASSETS – 100.0%			552,990,565
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	4,310,000	4,734,731	4,552,788				
McDonald's Corporation 3.13% Mar 04, 2025	2,480,000	2,483,043	2,441,605				
Molson Coors International LP 2.75% Sep 18, 2020	2,495,000	2,545,898	2,484,448				
Morgan Stanley 3.13% Aug 05, 2021	3,451,000	3,494,754	3,456,039				
National Hockey League Inc. 3.33% Aug 10, 2024	USD 940,000	1,190,039	1,255,765				

[†] Investment in related party (note 10)

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 (\$)
State Street Bank & Trust Company	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	266,416	1.332	1.364	6,381
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	267,235	1.336	1.364	5,561
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	578,925	Australian Dollar	602,000	1.04	1.04	257
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	7,083,530	New Zealand Dollar	7,698,000	1.087	1.092	33,111
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	3,497,148	New Zealand Dollar	3,800,000	1.087	1.092	16,816
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	2,949,751	New Zealand Dollar	3,207,000	1.087	1.092	12,534
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	1,218,054	New Zealand Dollar	1,324,000	1.087	1.092	5,433
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	9,562,179	Australian Dollar	9,935,000	1.039	1.04	12,233
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	2,130,799	Australian Dollar	2,216,000	1.04	1.04	685
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	773,263	Australian Dollar	804,000	1.04	1.04	424
									<u>93,435</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	2,602,210	US Dollar	2,000,000	0.769	0.733	(125,745)
Bank of Nova Scotia, The	A-1	Jan. 16, 2019	Canadian Dollar	3,252,613	US Dollar	2,500,000	0.769	0.733	(157,331)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	1,705,022	US Dollar	1,300,000	0.762	0.734	(67,230)
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	Canadian Dollar	3,147,804	US Dollar	2,400,000	0.762	0.734	(124,046)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	4,142,021	Australian Dollar	4,313,000	1.041	1.04	(3,819)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	107,065	US Dollar	80,000	0.747	0.734	(1,945)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	521,426	Mexican Peso	8,000,000	15.343	14.586	(27,033)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	535,012	US Dollar	400,000	0.748	0.734	(10,036)
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	3,343,275	US Dollar	2,500,000	0.748	0.734	(63,276)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	2,006,078	US Dollar	1,500,000	0.748	0.734	(37,853)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	1,070,424	US Dollar	800,000	0.747	0.734	(19,672)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	8,587,113	Mexican Peso	131,400,000	15.302	14.586	(421,323)
									<u>(1,059,309)</u>

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
BOND FUTURES CONTRACTS							
Mar. 2019	81	Ultra 10-Year U.S. Treasury Note Future	RBC Dominion Securities Inc.	A-1+	14,284,630	14,372,685	88,055
Mar. 2019	72	CME Ultra Long Term U.S. Treasury Bond Future	RBC Dominion Securities Inc.	A-1+	15,774,351	15,778,974	4,623
Mar. 2019	55	U.S. 10 Year Treasury Note Futures	RBC Dominion Securities Inc.	A-1+	9,076,964	9,154,334	77,370
							<u>170,048</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
BOND FUTURES CONTRACTS							
Mar. 2019	(901)	Canada 10 Year Bond Future	RBC Dominion Securities Inc.	A-1+	(122,332,686)	(123,229,770)	(897,084)
							<u>(897,084)</u>

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

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	1,670,275	4,411,015
1-3 years	61,135,238	33,481,053
3-5 years	69,849,405	67,753,799
5-10 years	217,045,750	305,072,156
> 10 years	185,611,655	35,292,159
	535,312,323	446,010,182

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$11,596,773 or approximately 2.1% (December 31, 2017 – \$8,007,454 or approximately 1.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross Currency Exposure (\$)	Currency Contracts (\$)	Net Exposure (\$)	Percentage of net assets (%)
US Dollar	19,065,389	(17,842,936)	1,222,453	0.2
Australian Dollar	17,463,040	(17,177,407)	285,633	0.1
Mexican Peso	9,744,335	(9,556,893)	187,442	0.0
New Zealand Dollar	14,953,582	(14,680,588)	272,994	0.0
	61,226,346	(59,257,824)	1,968,522	0.3

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 foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$196,851 or approximately 0.0% of net assets (December 31, 2017 – \$1,463,612 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 0.6% (December 31, 2017 – 0.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$338,801 (December 31, 2017 – nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	44.4	42.9	28.1	26.2
AA	22.9	22.3	22.6	21.2
A	21.1	20.5	33.3	31.1
BBB	11.2	10.8	14.7	13.8
BB	0.1	0.1	0.5	0.5
B	0.2	0.2	0.4	0.4
NOT RATED	0.1	0.1	0.4	0.4
	100.0	96.9	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. 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, 2018	December 31, 2017
Corporate Bonds	34.0	39.2
Federal Bonds	44.9	25.3
Fixed Income Funds	0.6	–
Mortgage-Backed Securities	0.4	1.5
Provincial Bonds	17.6	27.6

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Bonds and debentures	-	536,039,359	-	536,039,359
Underlying funds	3,388,008	-	-	3,388,008
Unrealized gain on currency forward contracts	-	93,435	-	93,435
Unrealized gain on futures contracts	170,048	-	-	170,048
	3,558,056	536,132,794	-	539,690,850
Unrealized loss on currency forward contracts	-	(1,059,309)	-	(1,059,309)
Unrealized loss on futures contracts	(897,084)	-	-	(897,084)
	2,660,972	535,073,485	-	537,734,457

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
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, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	1,180,549	-
Purchases	-	1,190,039
Sales/Return of Capital	-	-
Transfer into Level 3	-	-
Transfers out of Level 3	(913,116)	-
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	(267,433)	(9,490)
End of period	-	1,180,549

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

Level 3 valuation techniques

Below is a summary of 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 table also illustrates 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 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 below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	1,180,549	n/a
			1,180,549	

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	93,435	(87,054)	-	6,381
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	93,435	(87,054)	-	6,381

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,059,309	(87,054)	-	972,255
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	1,059,309	(87,054)	-	972,255

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

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

Scotia Private Total Return Bond Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund as at December 31, 2018. The Fund did not hold any interest in Underlying Funds as at December 31, 2017.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Investment Grade U.S. Corporate Bond Pool Series I	3,388,008	11.4
	3,388,008	

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

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

Scotia Private Canadian Corporate Bond Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	5,168,607,621	5,881,960,772
Derivatives	–	3,854,952
Cash	11,588,847	4,720,757
Cash collateral deposited on derivatives	–	3,318,346
Subscriptions receivable	5,343,847	3,380,150
Accrued investment income and other	41,161,426	44,126,117
	<u>5,226,701,741</u>	<u>5,941,361,094</u>
LIABILITIES		
Current liabilities		
Redemptions payable	3,868,960	2,615,512
Distributions payable	–	847
	<u>3,868,960</u>	<u>2,616,359</u>
Net assets attributable to holders of redeemable units	<u>5,222,832,781</u>	<u>5,938,744,735</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	2,813,737,040	3,206,176,277
Series K	103,917,125	73,154,527
Series M	<u>2,305,178,616</u>	<u>2,659,413,931</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	10.51	10.68
Series K	9.60	9.73
Series M	<u>10.51</u>	<u>10.68</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	4,277,064	3,668,460
Interest for distribution purposes	168,802,695	166,702,082
Net realized gain (loss) on non-derivative financial assets	(32,261,457)	9,390,138
Change in unrealized gain (loss) on non-derivative financial assets	(78,289,083)	(72,007,379)
Net realized gain (loss) on derivatives	19,312,679	9,457,547
Change in unrealized gain (loss) on derivatives	<u>(3,854,952)</u>	<u>401,702</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	77,986,946	117,612,550
Securities lending (note 11)	16,202	106,348
Net realized and unrealized foreign currency translation gain (loss)	<u>(30,415)</u>	<u>(540)</u>
Total income (loss), net	<u>77,972,733</u>	<u>117,718,358</u>
EXPENSES		
Management fees (note 5)	1,721,659	2,595,148
Fixed administration fees (note 6)	1,227,598	1,200,953
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	10,298	7,901
Harmonized Sales Tax/Goods and Services Tax	307,811	315,751
Transaction costs	143,599	49,689
Total expenses	<u>3,412,214</u>	<u>4,170,577</u>
Expenses absorbed by the Manager	–	(778,839)
Net expenses	<u>3,412,214</u>	<u>3,391,738</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>74,560,519</u>	<u>114,326,620</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	41,429,945	64,125,238
Series K	1,576,581	173,382
Series M	<u>31,553,993</u>	<u>50,028,000</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.14	0.22
Series K	0.17	0.04
Series M	<u>0.14</u>	<u>0.21</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	299,879,794	293,369,284
Series K	9,372,715	4,739,072
Series M	<u>231,732,419</u>	<u>241,220,175</u>

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

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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	3,206,176,277	3,112,695,230
Series K	73,154,527	11,218,029
Series M	2,659,413,931	2,362,248,460
	<u>5,938,744,735</u>	<u>5,486,161,719</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	41,429,945	64,125,238
Series K	1,576,581	173,382
Series M	31,553,993	50,028,000
	<u>74,560,519</u>	<u>114,326,620</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(95,010,028)	(92,608,900)
Series K	(2,633,381)	(1,319,898)
Series M	(71,493,083)	(74,109,932)
From net realized gains on investments		
Series I	–	(5,233,125)
Series K	–	(117,443)
Series M	–	(4,348,747)
	<u>(169,136,492)</u>	<u>(177,738,045)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	182,941,268	191,200,938
Series K	51,362,397	69,874,145
Series M	392,038,161	761,155,886
Reinvested distributions		
Series I	84,520,034	85,893,369
Series K	2,633,381	1,437,341
Series M	62,911,389	68,328,218
Payments on redemption		
Series I	(606,320,456)	(149,896,473)
Series K	(22,176,380)	(8,111,029)
Series M	(769,245,775)	(503,887,954)
	<u>(621,335,981)</u>	<u>515,994,441</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(392,439,237)	93,481,047
Series K	30,762,598	61,936,498
Series M	(354,235,315)	297,165,471
	<u>(715,911,954)</u>	<u>452,583,016</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	2,813,737,040	3,206,176,277
Series K	103,917,125	73,154,527
Series M	2,305,178,616	2,659,413,931
	<u>5,222,832,781</u>	<u>5,938,744,735</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	74,560,519	114,326,620
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	32,261,457	(9,390,138)
Change in unrealized (gain) loss on non-derivative financial assets	78,289,083	72,007,379
Change in unrealized (gain) loss on derivatives	3,854,952	(401,702)
Unrealized foreign currency translation (gain) loss	40,548	(94,080)
Purchases of non-derivative financial assets and liabilities	(1,841,367,474)	(3,281,172,268)
Proceeds from sale of non-derivative financial assets and liabilities	2,444,170,085	2,746,718,967
Cash collateral deposited on derivatives	3,318,346	13,997,396
Accrued investment income and other	2,964,691	962,533
Accrued expenses and other payables	–	(8,333)
Net cash provided by (used in) operating activities	<u>798,092,207</u>	<u>(343,053,626)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	623,860,975	1,020,785,280
Amounts paid on redemption of redeemable units	(1,395,972,009)	(662,616,647)
Distributions to unitholders of redeemable units	(19,072,535)	(22,078,270)
Net cash provided by (used in) financing activities	<u>(791,183,569)</u>	<u>336,090,363</u>
Unrealized foreign currency translation gain (loss)	(40,548)	94,080
Net increase (decrease) in cash	6,908,638	(6,963,263)
Cash (bank overdraft), beginning of period	4,720,757	11,589,940
CASH (BANK OVERDRAFT), END OF PERIOD	<u>11,588,847</u>	<u>4,720,757</u>
Interest paid ⁽¹⁾	10,298	7,901
Interest received, net of withholding taxes ⁽¹⁾	171,795,510	162,304,700
Dividends received, net of withholding taxes ⁽¹⁾	4,248,939	3,668,460

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Corporate Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)/ Number of Shares	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 97.9%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 94.1%				Corporate Bonds (cont'd)			
407 International Inc. (Callable) 2.43% Feb 04, 2027	41,000,000	40,666,630	39,127,087	OMERS Realty Corporation (Callable) 3.33% Apr 05, 2025	35,000,000	35,000,000	35,564,984
Alectra Inc. (Callable) 2.49% Feb 17, 2027	50,000,000	47,721,000	47,955,919	Pembina Pipeline Corporation (Callable) 4.02% Dec 27, 2027	24,000,000	23,998,080	23,862,757
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	50,000,000	49,985,500	49,293,456	Pepsi Co., Inc. (Callable) 2.15% Mar 06, 2024	100,000,000	99,752,300	96,027,796
AltaLink LP. (Callable) 3.40% Mar 06, 2024	60,000,000	60,000,000	61,621,954	RioCan Real Estate Investment Trust 3.29% Feb 12, 2024	56,500,000	56,447,075	55,410,381
Anheuser-Busch InBev Finance Inc. (Callable) 2.60% Mar 15, 2024	110,000,000	109,541,150	104,499,339	Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	50,000,000	53,643,350	51,293,560
Apple Inc. 2.51% Aug 19, 2024	100,000,000	99,866,800	97,246,647	Rogers Communications Inc. 5.34% Mar 22, 2021	75,000,000	79,450,920	78,682,388
Bank of Montreal (Callable) 2.57% Jun 01, 2022	20,000,000	19,999,999	19,465,227	Royal Bank of Canada (Callable) 2.48% Jun 04, 2020	70,000,000	69,746,918	69,564,375
Bank of Montreal 2.70% Dec 09, 2026	70,000,000	70,290,650	68,061,187	Royal Bank of Canada 2.33% Dec 05, 2023	85,000,000	85,000,000	82,698,715
Bank of Montreal 3.19% Mar 01, 2028	150,000,000	148,353,150	150,218,868	Royal Bank of Canada 2.36% Dec 05, 2022	76,000,000	75,993,160	74,596,223
Bank of Nova Scotia, The 2.62% Dec 02, 2026 [†]	128,000,000	127,520,670	123,599,480	Shaw Communications Inc. (Callable) 4.35% Oct 31, 2023	17,000,000	17,687,058	17,504,110
Bank of Nova Scotia, The 3.10% Feb 02, 2028 [†]	130,000,000	129,772,500	129,217,858	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	119,000,000	118,600,560	115,215,154
bclMC Realty Corporation (Callable) 3.00% Dec 31, 2026	50,000,000	50,000,000	49,425,906	TELUS Corporation (Callable) 3.35% Jan 02, 2024	60,000,000	59,488,100	59,723,854
Bell Canada (Callable) 2.70% Dec 27, 2023	78,000,000	78,297,873	75,318,713	TELUS Corporation (Callable) 3.63% Dec 01, 2027	40,000,000	39,579,600	39,227,005
Bell Canada (Callable) 3.55% Dec 02, 2025	85,000,000	85,616,800	84,437,637	TELUS Corporation (Callable) 3.75% Dec 10, 2025	75,000,000	75,218,710	75,354,530
Bell Canada Inc. (Callable) 3.80% May 21, 2028	60,000,000	59,931,000	59,426,444	Toronto Hydro Corporation (Callable) 2.91% Jan 10, 2023	25,000,000	24,169,750	25,155,044
BMW Canada Inc. 1.88% Dec 11, 2020	27,000,000	27,000,000	26,550,157	Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	63,500,000	63,500,000	61,828,040
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	28,000,000	27,958,560	26,870,485	Toronto-Dominion Bank, The 1.91% Jul 18, 2023	60,000,000	59,935,906	57,537,164
Bruce Power LP (Callable) 4.01% Mar 21, 2029	35,000,000	35,112,400	35,140,601	Toronto-Dominion Bank, The 3.23% Jul 24, 2024	105,000,000	107,777,502	106,503,901
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	80,000,000	79,484,128	78,517,843	Toronto-Dominion Bank, The 2.62% Oct 11, 2022	60,000,000	60,000,000	59,166,002
Canadian Imperial Bank of Commerce 2.97% Jul 11, 2023	50,000,000	50,153,000	50,087,877	Toyota Credit Canada Inc. 2.70% Jan 25, 2023	40,000,000	39,974,000	39,476,012
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	103,000,000	103,099,200	104,445,853	TransCanada PipeLines Ltd. (Callable) 3.30% Apr 17, 2025	75,000,000	74,904,750	74,698,349
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	85,000,000	84,728,000	84,843,891	United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024	90,000,000	89,830,800	85,840,224
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	39,000,000	38,856,870	38,683,861	VW Credit Canada Inc. 2.15% Jun 24, 2020	15,000,000	14,973,150	14,813,935
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	41,500,000	41,497,475	41,461,851	VW Credit Canada Inc. 3.25% Mar 29, 2023	39,000,000	38,953,590	38,570,058
Canadian Tire Corporation Ltd. (Callable) 3.17% Jun 06, 2023	49,000,000	49,059,000	48,493,958	Walt Disney Co, The 2.76% Oct 07, 2024	88,000,000	88,000,000	86,617,193
Daimler Canada Finance Inc. 3.30% Aug 16, 2022	45,000,000	44,986,500	45,195,532	Wells Fargo & Company 2.09% Apr 25, 2022	60,000,000	60,000,000	58,032,200
Enbridge Gas Distribution Inc. (Callable) 3.15% May 22, 2024	35,000,000	34,901,650	35,197,160	Wells Fargo & Company 3.87% May 21, 2025	50,000,000	50,115,350	49,807,079
Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	26,500,000	27,504,085	26,758,131			4,988,493,696	4,912,426,775
Enbridge Pipelines Inc. (Callable) 3.79% May 17, 2023	32,000,000	32,890,360	32,905,574	Federal Bonds – 3.3%			
ENMAX Corporation (Callable) 3.84% Mar 05, 2028	30,000,000	30,000,000	30,629,435	Canada Housing Trust No. 1 2.65% Dec 15, 2028	170,000,000	170,737,715	171,922,454
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	35,000,000	34,863,662	33,801,432	Mortgage-Backed Securities – 0.5%			
First Capital Realty Inc. 4.79% Aug 30, 2024	36,000,000	38,517,642	37,712,657	Institutional Mortgage Securities Canada Inc. 3.33% Dec 12, 2022	25,000,000	25,000,000	25,068,976
Ford Credit Canada Company 2.71% Feb 23, 2022	30,000,000	30,000,000	28,466,280			5,184,231,411	5,109,418,205
Ford Credit Canada Company 3.35% Sep 19, 2022	35,000,000	35,000,000	33,311,056	TOTAL BONDS AND DEBENTURES			
Ford Credit Canada Ltd. 3.28% Jul 02, 2021	35,000,000	35,000,000	34,207,201	EQUITIES – 1.1%			
Fortified Trust 1.67% Jul 23, 2021	46,000,000	46,000,000	44,774,166	Financials – 1.1%			
Great-West Lifeco Inc. 3.34% Feb 28, 2028	54,000,000	54,025,200	54,269,515	Bank of Montreal, 3.80%, Preferred, Series 33	550,000	13,534,416	11,825,000
Honda Canada Finance Inc. 2.27% Jul 15, 2022	36,000,000	36,084,370	35,126,641	Bank of Montreal, 4.50%, Preferred, Series 40	21,700	542,500	487,816
Honda Canada Finance Inc. 2.54% Mar 01, 2023	61,500,000	61,500,000	60,224,781	Canadian Imperial Bank of Commerce, 3.60%, Preferred, Series 43	300,000	7,052,594	6,138,000
HSBC Bank Canada 2.54% Jan 31, 2023	110,000,000	109,641,373	107,650,651	Canadian Imperial Bank of Commerce, 4.50%, Preferred, Series 47	300,000	7,500,000	6,300,000
HSBC Bank Canada 3.25% Sep 15, 2023	60,000,000	59,999,500	60,231,009	Royal Bank of Canada, 3.60%, Preferred, Series BD	400,000	10,061,029	8,500,000
Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	53,000,000	52,868,180	52,145,093	Royal Bank of Canada, 3.60%, Preferred, Series BF	400,000	9,304,903	8,448,000
Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	70,000,000	69,568,800	67,283,389	Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	510,000	11,914,943	10,842,600
Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	23,500,000	23,623,500	22,402,339	Toronto-Dominion Bank, The, 4.50%, Preferred, Series 16	300,000	7,500,000	6,648,000
Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	35,000,000	35,075,750	33,693,795			67,410,385	59,189,416
John Deere Canada Funding Inc. 2.05% May 13, 2022	35,000,000	34,972,000	34,126,351	Transaction Costs		(51,945)	
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	60,000,000	60,023,660	59,446,156				
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	26,000,000	29,159,260	27,464,613	TOTAL INVESTMENT PORTFOLIO		5,251,589,851	5,168,607,621
Manufacturers Life Insurance Company, The (Callable) 3.18% Nov 22, 2022	60,000,000	60,000,000	60,197,925	OTHER ASSETS, LESS LIABILITIES – 1.0%			54,225,160
Manulife Bank of Canada 2.08% May 26, 2022	30,000,000	30,000,000	29,170,315	NET ASSETS – 100.0%			5,222,832,781
Manulife Bank of Canada 2.84% Jan 12, 2023	21,000,000	21,000,000	20,833,790				
McDonald's Corporation 3.13% Mar 04, 2025	80,000,000	79,822,400	78,761,458				
Morgan Stanley 3.00% Feb 07, 2024	75,000,000	74,985,750	73,034,105				
National Bank of Canada 1.81% Jul 26, 2021	55,000,000	54,698,750	53,729,512				
National Bank of Canada 1.96% Jun 30, 2022	40,000,000	40,064,500	38,811,895				
National Hockey League Inc. 4.12% Jul 12, 2028	35,000,000	45,895,620	47,900,605				
Nissan Canada Financial Services Inc. 1.75% Apr 09, 2020	80,000,000	79,816,900	78,895,409				
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027	30,000,000	29,921,700	28,433,342				
North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026	80,000,000	79,829,600	78,852,330				

[†] Investment in related party (note 10)

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

Scotia Private Canadian Corporate Bond Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

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

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	–	42,195,920
1-3 years	401,217,143	770,693,752
3-5 years	1,352,024,492	1,518,890,156
5-10 years	3,259,207,929	3,361,712,271
> 10 years	96,968,641	94,756,625
	5,109,418,205	5,788,248,724

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$67,228,356 or approximately 1.3% (December 31, 2017 – \$72,897,863 or approximately 1.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	50,892,166	–	50,892,166	1.0
	50,892,166	–	50,892,166	1.0

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$5,089,217 or approximately 0.1% of net assets (December 31, 2017 – \$566,828 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 1.1% (December 31, 2017 – 1.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$5,918,942 (December 31, 2017 – \$9,756,700). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	4.7	4.6	5.1	5.0
AA	22.1	21.9	20.9	20.7
A	39.6	39.3	36.3	35.9
BBB	33.4	33.0	36.6	36.4
BB	0.2	0.2	1.1	1.1
	100.0	99.0	100.0	99.1

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Corporate Bonds	94.1	94.0
Federal Bonds	3.3	3.0
Financials	1.1	1.6
Mortgage-Backed Securities	0.5	0.4

Scotia Private Canadian Corporate Bond Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	59,189,416	–	–	59,189,416
Bonds and debentures	–	5,109,418,205	–	5,109,418,205
	59,189,416	5,109,418,205	–	5,168,607,621

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Canadian Preferred Share Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	411,005,859	507,199,323
Cash	12,421,822	6,825,839
Subscriptions receivable	764,751	573,632
Accrued investment income and other	639,286	1,203,564
	<u>424,831,718</u>	<u>515,802,358</u>
LIABILITIES		
Current liabilities		
Redemptions payable	603,344	662,544
Distributions payable	—	633
	<u>603,344</u>	<u>663,177</u>
Net assets attributable to holders of redeemable units	<u>424,228,374</u>	<u>515,139,181</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	9,157,744	8,463,608
Series M	415,070,630	506,675,573
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	10.08	11.51
Series M	7.52	8.61

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	22,980,792	21,932,731
Interest for distribution purposes	65,019	35,931
Net realized gain (loss) on non-derivative financial assets	535,327	553,139
Change in unrealized gain (loss) on non-derivative financial assets	(63,760,270)	38,429,851
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(40,179,132)	60,951,652
Securities lending (note 11)	193	17,008
Total income (loss), net	<u>(40,178,939)</u>	<u>60,968,660</u>
EXPENSES		
Management fees (note 5)	342,377	1,415,648
Fixed administration fees (note 6)	166,472	151,701
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	499	134
Harmonized Sales Tax/Goods and Services Tax	50,617	47,693
Transaction costs	171,618	50,890
Total expenses	732,832	1,667,201
Expenses absorbed by the Manager	—	(1,085,342)
Net expenses	<u>732,832</u>	<u>581,859</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(40,911,771)</u>	<u>60,386,801</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	(869,051)	484,174
Series M	(40,042,720)	59,902,627
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	(1.00)	1.07
Series M	(0.69)	1.06
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	872,967	451,003
Series M	57,784,621	56,336,432

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

Scotia Private Canadian 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	8,463,608	773,642
Series M	506,675,573	429,288,616
	<u>515,139,181</u>	<u>430,062,258</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	(869,051)	484,174
Series M	(40,042,720)	59,902,627
	<u>(40,911,771)</u>	<u>60,386,801</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(448,892)	(251,445)
Series M	(22,098,070)	(21,222,545)
	<u>(22,546,962)</u>	<u>(21,473,990)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	4,748,150	8,126,293
Series M	107,171,356	125,045,510
Reinvested distributions		
Series K	448,892	251,445
Series M	20,333,265	19,361,297
Payments on redemption		
Series K	(3,184,963)	(920,501)
Series M	(156,968,774)	(105,699,932)
	<u>(27,452,074)</u>	<u>46,164,112</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	694,136	7,689,966
Series M	(91,604,943)	77,386,957
	<u>(90,910,807)</u>	<u>85,076,923</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	9,157,744	8,463,608
Series M	415,070,630	506,675,573
	<u>424,228,374</u>	<u>515,139,181</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(40,911,771)	60,386,801
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(535,327)	(553,139)
Change in unrealized (gain) loss on non-derivative financial assets	63,760,270	(38,429,851)
Purchases of non-derivative financial assets and liabilities	(47,758,074)	(56,305,622)
Proceeds from sale of non-derivative financial assets and liabilities	80,726,595	15,028,518
Accrued investment income and other	564,278	304,918
Accrued expenses and other payables	-	(1,249)
Net cash provided by (used in) operating activities	<u>55,845,971</u>	<u>(19,569,624)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	111,622,839	133,009,054
Amounts paid on redemption of redeemable units	(160,107,388)	(106,559,507)
Distributions to unitholders of redeemable units	(1,765,439)	(1,860,615)
Net cash provided by (used in) financing activities	<u>(50,249,988)</u>	<u>24,588,932</u>
Net increase (decrease) in cash	5,595,983	5,019,308
Cash (bank overdraft), beginning of period	6,825,839	1,806,531
CASH (BANK OVERDRAFT), END OF PERIOD	<u>12,421,822</u>	<u>6,825,839</u>
Interest paid ⁽¹⁾	499	134
Interest received, net of withholding taxes ⁽¹⁾	65,019	36,898
Dividends received, net of withholding taxes ⁽¹⁾	23,545,070	21,721,930

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Preferred Share Pool (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 95.4%				EQUITIES (cont'd)			
Communication Services – 3.6%				Financials (cont'd)			
BCE Inc., 0.00%, Preferred, Series AB	20,000	450,800	349,200	Intact Financial Corporation, 4.20%, Preferred, Series 1	400,000	10,232,711	6,752,000
BCE Inc., 2.85%, Preferred, Series 15	116,900	2,788,660	2,031,722	Intact Financial Corporation, 4.20%, Preferred, Series 3	119,000	3,095,530	2,312,170
BCE Inc., 3.00%, Preferred, Series AD	125,000	2,848,750	2,181,250	Intact Financial Corporation, 4.90%, Preferred, Series A	200,000	5,000,000	4,352,000
BCE Inc., 4.15%, Preferred, Series 19	89,000	1,943,862	1,461,380	Laurentian Bank of Canada, 4.30%, Preferred, Series 13	90,000	2,251,800	1,705,500
BCE Inc., 4.15%, Preferred, Series AK	200,000	4,446,540	3,084,000	Manulife Financial Corporation, 3.80%, Preferred, Series 13	55,000	1,356,600	1,068,650
BCE Inc., 4.25%, Preferred, Series AQ	65,000	1,694,038	1,374,750	Manulife Financial Corporation, 3.80%, Preferred, Series 19	240,000	6,000,000	4,360,800
BCE Inc., 4.60%, Preferred, Series Y	40,000	908,800	698,000	Manulife Financial Corporation, 3.90%, Preferred, Series 15	65,000	1,585,491	1,202,500
BCE Inc., 4.85%, Preferred, Series AM	90,000	2,195,313	1,443,600	Manulife Financial Corporation, 3.90%, Preferred, Series 17	90,000	2,252,000	1,651,500
BCE Inc., 5.45%, Preferred, Series AA	80,000	1,687,200	1,324,000	Manulife Financial Corporation, 4.00%, Preferred, Series 11	77,000	1,942,685	1,615,460
Shaw Communications, Inc., 4.50%, Preferred, CI2 Series A	91,800	2,352,676	1,370,574	Manulife Financial Corporation, 4.40%, Preferred, Series 5	50,000	1,309,500	1,010,000
				Manulife Financial Corporation, 4.40%, Preferred, Series 9	40,000	1,043,200	829,200
		21,316,639	15,318,476	Manulife Financial Corporation, 4.50%, Preferred, Series 3	150,000	3,391,743	2,977,500
Consumer Staples – 1.2%				Manulife Financial Corporation, 4.60%, Preferred, Series 1-7	125,000	3,296,612	2,733,750
George Weston Limited, 4.75%, Preferred, Series V	135,000	3,419,650	2,911,950	Manulife Financial Corporation, 4.65%, Preferred, Series B	110,700	2,628,814	2,261,601
George Weston Limited, 5.20%, Preferred, Series D	100,000	2,578,960	2,315,000	Manulife Financial Corporation, 4.70%, Preferred, Series 25	200,000	5,000,000	4,252,000
		5,998,610	5,226,950	Manulife Financial Corporation, 5.60%, Preferred, Series 21	250,000	6,250,000	6,412,500
Energy – 16.8%				National Bank of Canada, 3.90%, Preferred, Series 32	395,300	9,879,547	7,336,768
Enbridge Inc., 4.00%, Preferred, Series 3	75,000	1,799,250	1,179,750	National Bank of Canada, 4.10%, Preferred, Series 30	138,000	3,450,000	2,726,880
Enbridge Inc., 4.00%, Preferred, Series D	119,900	3,057,797	2,002,330	Power Corporation of Canada, 5.00%, Preferred, Series D	75,000	1,825,500	1,618,500
Enbridge Inc., 4.00%, Preferred, Series F	200,000	5,056,116	3,520,000	Power Financial Corporation, 0.00%, Preferred, Series A	32,900	731,602	572,460
Enbridge Inc., 4.00%, Preferred, Series N	100,000	2,130,491	1,854,000	Power Financial Corporation, 4.20%, Preferred, Series T	66,000	1,715,441	1,263,900
Enbridge Inc., 4.00%, Preferred, Series R	110,000	2,734,002	1,783,100	Power Financial Corporation, 4.80%, Preferred, Series S	95,000	2,204,800	1,991,200
Enbridge Inc., 4.40%, Preferred, Series 11	200,000	4,385,382	3,330,000	Power Financial Corporation, 4.95%, Preferred, Series K	80,300	1,893,682	1,710,390
Enbridge Inc., 4.40%, Preferred, Series 13	100,000	1,884,000	1,676,000	Power Financial Corporation, 5.10%, Preferred, Series L	68,500	1,709,140	1,526,865
Enbridge Inc., 4.40%, Preferred, Series 15	25,000	478,390	421,500	Power Financial Corporation, 5.15%, Preferred, Series V	200,000	5,000,000	4,434,000
Enbridge Inc., 4.40%, Preferred, Series 7	70,000	1,768,200	1,190,000	Royal Bank of Canada, 3.60%, Preferred, Series BD	300,000	7,504,500	6,375,000
Enbridge Inc., 4.40%, Preferred, Series 9	145,000	3,283,575	2,465,000	Royal Bank of Canada, 3.60%, Preferred, Series BF	275,000	6,826,250	5,808,000
Enbridge Inc., 4.90%, Preferred, Series 19	250,000	6,250,000	5,505,000	Royal Bank of Canada, 3.90%, Preferred, Series BB	162,500	4,108,400	3,196,375
Enbridge Inc., 5.15%, Preferred, Series 17	175,000	4,375,000	4,327,750	Royal Bank of Canada, 4.00%, Preferred, Series AZ	225,400	5,698,756	4,460,666
Husky Energy Inc., 4.45%, Preferred, Series 1	74,200	1,929,408	1,000,216	Royal Bank of Canada, 4.90%, Preferred, Series BH	250,000	6,250,001	5,795,000
Husky Energy Inc., 4.50%, Preferred, Series 3	300,000	7,500,000	6,000,000	Royal Bank of Canada, 4.90%, Preferred, Series BI	200,000	5,000,000	4,668,000
Husky Energy Inc., 4.50%, Preferred, Series 5	200,000	5,000,000	4,086,000	Sun Life Financial Inc., 4.25%, Preferred, Series 12R	96,000	2,507,437	1,951,680
Pembina Pipeline Corporation, 4.90%, Preferred, Series 21	195,000	4,875,000	4,444,050	Sun Life Financial Inc., 4.45%, Preferred, Series 3	140,000	3,312,600	2,814,000
Pembina Pipeline Corporation, 5.00%, Preferred, Series S-19	340,000	8,478,400	7,949,200	Sun Life Financial Inc., 4.45%, Preferred, Series F	95,000	2,018,850	1,919,950
TransCanada Corporation, 3.80%, Preferred, Series 11	100,000	2,500,000	2,033,000	Sun Life Financial Inc., 4.50%, Preferred, Series 5	115,000	2,535,678	2,327,600
TransCanada Corporation, 4.00%, Preferred, Series 7	196,400	4,907,823	3,613,760	Sun Life Financial Inc., 4.75%, Preferred, Series A	125,300	2,831,375	2,667,637
TransCanada Corporation, 4.25%, Preferred, Series 9	195,000	4,614,550	3,650,400	Sun Life Financial Inc., 4.80%, Preferred, Series 2	105,000	2,529,800	2,247,000
TransCanada Corporation, 4.90%, Preferred, Series 15	220,000	5,500,000	5,438,400	Thomson Reuters Corporation, 2.09%, Preferred, Series B	44,800	989,715	649,600
TransCanada Corporation, 5.50%, Preferred, Series 13	155,000	3,875,000	3,938,550	Toronto-Dominion Bank, The, 3.60%, Preferred, Series 7	200,000	4,999,714	4,252,000
		86,382,384	71,408,006	Toronto-Dominion Bank, The, 3.75%, Preferred, Series 5	250,000	6,250,000	4,812,500
Financials – 52.9%				Toronto-Dominion Bank, The, 3.80%, Preferred, Series 3	120,000	3,000,000	2,346,000
Bank of Montreal, 3.80%, Preferred, Series 31 Class B	100,000	2,501,000	1,927,000	Toronto-Dominion Bank, The, 3.90%, Preferred, Series 1	215,000	5,424,343	4,138,750
Bank of Montreal, 3.80%, Preferred, Series 33	250,000	6,250,000	5,375,000	Toronto-Dominion Bank, The, 4.50%, Preferred, Series 16	250,000	6,250,000	5,540,000
Bank of Montreal, 3.90%, Preferred, Series 29	240,000	6,042,893	4,586,400	Toronto-Dominion Bank, The, 4.90%, Preferred, Series 11	113,400	2,835,000	2,735,208
Bank of Montreal, 4.00%, Preferred, Series 27	225,000	5,662,000	4,437,000			265,884,145	224,232,406
Bank of Montreal, 4.40%, Preferred, Series 42	250,000	6,250,000	5,500,000	Utilities – 20.9%			
Bank of Montreal, 5.00%, Preferred, Series 35	240,000	5,887,500	5,916,000	AltaGas Ltd., 5.00%, Preferred, Series E	200,000	5,248,000	3,622,000
Brookfield Asset Management Inc., 4.50%, Preferred, Series 32	163,900	3,356,426	3,595,966	AltaGas Ltd., 5.00%, Preferred, Series K	120,000	3,000,000	2,256,000
Brookfield Asset Management Inc., 4.50%, Preferred, Series 40	205,000	5,082,439	4,284,500	AltaGas Ltd., 5.25%, Preferred, Series I	230,000	5,750,000	4,756,400
Brookfield Asset Management Inc., 5.00%, Preferred, Series 44	375,000	9,378,000	9,660,000	Brookfield Renewable Partners LP, 5.00%, Preferred, Series 11	240,000	6,000,000	5,200,800
Canadian Imperial Bank of Commerce, 3.75%, Preferred, Series 41	200,000	5,000,000	3,684,000	Brookfield Renewable Partners LP, 5.00%, Preferred, Series 13	250,000	6,250,000	5,320,000
Canadian Imperial Bank of Commerce, 3.90%, Preferred, Series 39	253,100	6,381,895	4,796,245	Brookfield Renewable Partners LP, 5.50%, Preferred, Series 7	250,000	6,250,001	6,237,500
Canadian Imperial Bank of Commerce, 4.40%, Preferred, Series 45	200,000	5,000,000	4,442,000	Brookfield Renewable Partners LP, 5.75%, Preferred, Series 9	200,000	5,000,000	4,992,000
Canadian Imperial Bank of Commerce, 4.50%, Preferred, Series 47	250,000	6,250,000	5,250,000	Brookfield Renewable Power Inc., 5.25%, Preferred, Series I	250,000	6,022,415	4,022,500
Great-West Lifeco Inc., 4.50%, Preferred, Series 1	113,000	2,588,820	2,257,740	Canadian Utilities Limited, 3.80%, Preferred, Series 4	90,000	1,839,600	1,315,800
Great-West Lifeco Inc., 4.80%, Preferred, Series R	71,500	1,675,010	1,542,255	Canadian Utilities Limited, 4.00%, Preferred, Series Y	199,100	5,167,657	3,669,413
Great-West Lifeco Inc., 4.85%, Preferred, Series H	105,000	2,543,226	2,235,450	Canadian Utilities Limited, 4.50%, Preferred, Series CC	170,000	4,266,261	3,400,000
Great-West Lifeco Inc., 5.15%, Preferred, Series Q	65,000	1,628,400	1,453,400	Canadian Utilities Limited, 4.50%, Preferred, Series DD	95,000	2,069,500	1,914,250
Great-West Lifeco Inc., 5.20%, Preferred, Series G	40,000	1,005,500	903,200	Canadian Utilities Limited, 4.90%, Preferred, Series AA	323,400	7,903,470	7,163,310
Great-West Lifeco Inc., 5.25%, Preferred, Series S	106,500	2,695,871	2,509,140	Canadian Utilities Limited, 4.90%, Preferred, Series BB	100,000	2,389,000	2,192,000
Great-West Lifeco Inc., 5.40%, Preferred, Series P	90,000	2,322,150	2,099,700	Canadian Utilities Ltd., 4.50%, Preferred, Series FF	180,000	4,500,000	4,680,000
Industrial Alliance Insurance & Financial Services Inc., 4.80%, Preferred, Series I	150,000	3,750,000	3,291,000	Emera Inc., 4.10%, Preferred, Series C	100,000	2,527,700	2,119,000
Industrial Alliance, 4.30%, Preferred, Series G	82,700	2,178,318	1,695,350	Emera Inc., 4.25%, Preferred, Series F	50,000	1,267,000	968,000
Industrial Alliance, 4.60%, Preferred, Series A	260,000	6,535,880	5,408,000	Emera Inc., 4.50%, Preferred, Series E	40,000	899,600	800,400

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, 2018

Issuer	Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities (cont'd)			
Emera Inc., 4.90%, Preferred, Series H	200,000	5,000,000	4,910,000
Fortis Inc., 3.88%, Preferred, Series G	91,600	2,311,020	1,733,072
Fortis Inc., 4.00%, Preferred, Series K	100,000	2,508,000	1,804,000
Fortis Inc., 4.10%, Preferred, Series M	148,000	3,715,080	2,886,000
Fortis Inc., 4.75%, Preferred, Series J	120,000	2,897,400	2,606,400
Westcoast Energy Inc., 5.20%, Preferred, Series 12	160,000	4,033,150	4,016,000
Westcoast Energy Inc., 5.50%, Preferred, Series H	254,700	6,475,094	6,133,176
		103,289,948	88,718,021
INDEX BASED EXCHANGE-TRADED FUNDS – 1.4%			
BMO S&P/TSX Laddered Preferred Share Index ETF	600,000	6,939,928	6,102,000
Transaction Costs		(407,159)	
TOTAL INVESTMENT PORTFOLIO		489,404,495	411,005,859
OTHER ASSETS, LESS LIABILITIES – 3.2%			13,222,515
NET ASSETS – 100.0%			424,228,374

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 investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 96.8% (December 31, 2017 – 98.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$41,100,586 (December 31, 2017 – \$50,719,932). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A	18.3	17.5	16.3	15.3
BBB	69.8	66.5	63.3	59.8
BB	11.9	11.4	20.4	19.3
	100.0	95.4	100.0	94.4

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	3.6	–
Consumer Discretionary	–	0.5
Consumer Staples	1.2	1.1
Energy	16.8	18.8
Financials	52.9	56.7
Index Based Exchange-Traded Funds	1.4	4.1
Telecommunication Services	–	3.2
Utilities	20.9	14.1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	404,903,859	–	–	404,903,859
Underlying funds	6,102,000	–	–	6,102,000
	411,005,859	–	–	411,005,859

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
BMO S&P/TSX Laddered Preferred Share Index ETF	6,102,000	0.3
	6,102,000	

Scotia Private Canadian Preferred Share Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
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	

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

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

Scotia U.S. \$ Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31,	December 31,
	2018	2017
	U.S. \$	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	34,551,321	45,780,620
Cash	280,504	75,431
Subscriptions receivable	77,183	5,000
Accrued investment income and other	216,444	382,003
	<u>35,125,452</u>	<u>46,243,054</u>
LIABILITIES		
Current liabilities		
Redemptions payable	3,436	3,362
Distributions payable	16	21
	<u>3,452</u>	<u>3,383</u>
Net assets attributable to holders of redeemable units	<u>35,122,000</u>	<u>46,239,671</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	34,495,666	45,671,475
Series F	626,334	568,196
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.85	11.16
Series F	10.82	11.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
	U.S. \$	U.S. \$
INCOME		
Interest for distribution purposes	1,053,255	1,240,597
Net realized gain (loss) on non-derivative financial assets	(1,195,642)	(528,245)
Change in unrealized gain (loss) on non-derivative financial assets	(95,635)	779,307
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(238,022)	1,491,659
Securities lending (note 11)	402	236
Other income	3,468	228
Total income (loss), net	<u>(234,152)</u>	<u>1,492,123</u>
EXPENSES		
Management fees (note 5)	433,040	555,984
Fixed administration fees (note 6)	23,778	30,229
Independent Review Committee fees	967	987
Interest expense and bank overdraft charges	—	133
Harmonized Sales Tax/Goods and Services Tax	52,749	67,878
Total expenses	<u>510,534</u>	<u>655,211</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(744,686)</u>	<u>836,912</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(740,366)	822,944
Series F	(4,320)	13,968
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.21)	0.18
Series F	(0.08)	0.21
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,584,627	4,467,531
Series F	53,220	65,664

[†] 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)	2018	2017
	U.S. \$	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	45,671,475	54,660,410
Series F	568,196	960,275
	<u>46,239,671</u>	<u>55,620,685</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(740,366)	822,944
Series F	(4,320)	13,968
	<u>(744,686)</u>	<u>836,912</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(538,131)	(562,379)
Series F	(11,277)	(12,223)
	<u>(549,408)</u>	<u>(574,602)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	871,832	2,189,467
Series F	116,826	135,308
Reinvested distributions		
Series A	493,102	519,823
Series F	4,689	6,394
Payments on redemption		
Series A	(11,262,246)	(11,958,790)
Series F	(47,780)	(535,526)
	<u>(9,823,577)</u>	<u>(9,643,324)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(11,175,809)	(8,988,935)
Series F	58,138	(392,079)
	<u>(11,117,671)</u>	<u>(9,381,014)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	34,495,666	45,671,475
Series F	626,334	568,196
	<u>35,122,000</u>	<u>46,239,671</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
	U.S. \$	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(744,686)	836,912
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	1,195,642	528,245
Change in unrealized (gain) loss on non-derivative financial assets	95,635	(779,307)
Purchases of non-derivative financial assets and liabilities	(66,836,361)	(51,088,299)
Proceeds from sale of non-derivative financial assets and liabilities	76,774,382	60,573,082
Accrued investment income and other	165,559	91,084
Accrued expenses and other payables	—	(2,624)
Net cash provided by (used in) operating activities	<u>10,650,171</u>	<u>10,159,093</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	913,077	2,219,082
Amounts paid on redemption of redeemable units	(11,306,554)	(12,390,571)
Distributions to unitholders of redeemable units	(51,621)	(48,381)
Net cash provided by (used in) financing activities	<u>(10,445,098)</u>	<u>(10,219,870)</u>
Net increase (decrease) in cash	205,073	(60,777)
Cash (bank overdraft), beginning of period	75,431	136,208
CASH (BANK OVERDRAFT), END OF PERIOD	<u>280,504</u>	<u>75,431</u>
Interest paid ⁽¹⁾	—	133
Interest received, net of withholding taxes ⁽¹⁾	1,218,814	1,140,743

⁽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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
	U.S. \$	U.S. \$	U.S. \$
BONDS AND DEBENTURES – 98.4%			
Corporate Bonds – 37.9%			
Aetna Inc. (Callable) 2.80% Apr 15, 2023	633,000	605,262	601,369
Apple Inc. (Callable) 3.25% Nov 23, 2025	567,000	552,757	554,676
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	841,000	839,907	812,347
Bank of Montreal (Callable) 4.34% Oct 05, 2023	431,000	431,000	430,158
BP Capital Markets America Inc. (Callable) 3.80% Jul 21, 2025	484,000	479,576	487,775
Comcast Corporation (Callable) 3.95% Aug 15, 2025	237,000	236,708	240,166
Crown Castle Towers LLC (Callable) 3.66% Nov 15, 2023	772,000	768,670	750,932
Great-West Lifeco Finance 2018 LP (Callable) 4.05% Feb 17, 2028	655,000	655,000	666,505
Heathrow Funding Ltd. 4.88% Jul 15, 2021	550,000	574,536	567,771
JPMorgan Chase & Company (Callable) 2.97% Jan 15, 2022	1,500,000	1,507,980	1,470,863
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	525,000	487,436	495,041
Morgan Stanley (Callable) 3.74% Apr 24, 2023	1,000,000	1,000,000	980,690
Pernod Ricard SA 4.25% Jul 15, 2022	468,000	479,447	475,893
Reynolds American Inc. (Callable) 4.45% Mar 12, 2025	1,500,000	1,609,470	1,443,615
Suncor Energy Inc. (Callable) 3.60% Sep 01, 2024	770,000	759,690	753,418
Thermo Fisher Scientific Inc. (Callable) 2.95% Jun 19, 2026	1,200,000	1,186,188	1,113,522
United Parcel Service Inc. (Callable) 2.80% Sep 15, 2024	470,000	452,967	452,892
Ventas Realty LP (Callable) 3.85% Jan 01, 2027	529,000	540,940	509,591
Wells Fargo & Company 3.00% Feb 19, 2025	520,000	490,521	491,624
		<u>13,658,055</u>	<u>13,298,848</u>
Federal Bonds – 57.6%			
United States Treasury Notes 1.13% Dec 31, 2019	4,500,000	4,416,663	4,433,894
United States Treasury Notes 1.75% Dec 31, 2020	3,950,000	3,938,215	3,895,273
United States Treasury Notes 1.75% Nov 30, 2021	3,500,000	3,392,676	3,431,558
United States Treasury Notes 2.38% Jan 31, 2023	248,000	246,048	247,019
United States Treasury Notes 2.50% May 15, 2046	1,350,000	1,289,127	1,222,094
United States Treasury Notes 2.75% Aug 15, 2042	1,365,000	1,330,108	1,310,461
United States Treasury Notes 2.75% Aug 31, 2023	590,000	585,160	597,080
United States Treasury Notes 2.88% Aug 15, 2028	1,235,000	1,217,034	1,256,242
United States Treasury Notes 3.00% Feb 15, 2048	3,000,000	2,923,798	2,995,320
United States Treasury Notes 4.50% Feb 15, 2036	690,000	859,195	853,068
		<u>20,198,024</u>	<u>20,242,009</u>
Provincial Bonds – 2.9%			
Province of Alberta 3.30% Mar 15, 2028	1,000,000	989,100	1,010,464
TOTAL INVESTMENT PORTFOLIO		<u>34,845,179</u>	<u>34,551,321</u>
OTHER ASSETS, LESS LIABILITIES – 1.6%			<u>570,679</u>
NET ASSETS – 100.0%			<u><u>35,122,000</u></u>

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 investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	4,433,894	–
1-3 years	7,894,602	10,435,319
3-5 years	3,392,224	9,669,546
5-10 years	12,449,658	16,105,824
> 10 years	6,380,943	9,569,931
	<u>34,551,321</u>	<u>45,780,620</u>

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$563,840 or approximately 1.6% (December 31, 2017 – \$727,250 or approximately 1.6%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	58.6	57.7	51.0	50.6
AA	4.5	4.5	5.3	5.2
A	19.4	19.0	28.8	28.5
BBB	17.5	17.2	14.9	14.7
	<u>100.0</u>	<u>98.4</u>	<u>100.0</u>	<u>99.0</u>

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. 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, 2018	December 31, 2017
Corporate Bonds	37.9	50.6
Federal Bonds	57.6	48.4
Provincial Bonds	2.9	–

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	34,551,321	–	34,551,321
	–	<u>34,551,321</u>	–	<u>34,551,321</u>

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

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

Scotia Global Bond Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	11,205,676	11,610,258
Derivatives	322,639	140,315
Cash	221,734	42,503
Subscriptions receivable	297,953	711
Accrued investment income and other	75,530	87,898
	<u>12,123,532</u>	<u>11,881,685</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	327,773	100,850
Redemptions payable	27,404	6,100
	<u>355,177</u>	<u>106,950</u>
Net assets attributable to holders of redeemable units	<u>11,768,355</u>	<u>11,774,735</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	11,738,399	11,751,665
Series F	29,956	23,070
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.12	9.48
Series F	10.26	9.56

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	333,051	328,922
Net realized gain (loss) on non-derivative financial assets	(73,320)	(290,325)
Change in unrealized gain (loss) on non-derivative financial assets	655,052	33,800
Net realized gain (loss) on derivatives	5,235	(241,405)
Change in unrealized gain (loss) on derivatives	(44,599)	470,963
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	875,419	301,955
Securities lending (note 11)	1,304	95
Net realized and unrealized foreign currency translation gain (loss)	15,503	14,104
Other income	2,996	37
Total income (loss), net	<u>895,222</u>	<u>316,191</u>
EXPENSES		
Management fees (note 5)	124,210	144,316
Fixed administration fees (note 6)	33,909	39,041
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	172	93
Foreign withholding taxes/tax reclaims	170	3,389
Harmonized Sales Tax/Goods and Services Tax	17,303	20,057
Total expenses	<u>177,013</u>	<u>208,031</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>718,209</u>	<u>108,160</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	716,136	108,484
Series F	2,073	(324)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.61	0.08
Series F	0.82	(0.06)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,170,925	1,367,494
Series F	2,534	5,037

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	11,751,665	14,316,636
Series F	23,070	29,816
	<u>11,774,735</u>	<u>14,346,452</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	716,136	108,484
Series F	2,073	(324)
	<u>718,209</u>	<u>108,160</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	3,079,202	1,297,919
Series F	4,813	84,484
Payments on redemption		
Series A	(3,808,604)	(3,971,374)
Series F	-	(90,906)
	<u>(724,589)</u>	<u>(2,679,877)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(13,266)	(2,564,971)
Series F	6,886	(6,746)
	<u>(6,380)</u>	<u>(2,571,717)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	11,738,399	11,751,665
Series F	29,956	23,070
	<u>11,768,355</u>	<u>11,774,735</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	718,209	108,160
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	73,320	290,325
Change in unrealized (gain) loss on non-derivative financial assets	(655,052)	(33,800)
Change in unrealized (gain) loss on derivatives	44,599	(470,963)
Unrealized foreign currency translation (gain) loss	367	164
Purchases of non-derivative financial assets and liabilities	(25,192,633)	(13,974,146)
Proceeds from sale of non-derivative financial assets and liabilities	26,178,947	16,176,699
Accrued investment income and other	12,368	23,818
Accrued expenses and other payables	-	(781)
Net cash provided by (used in) operating activities	<u>1,180,125</u>	<u>2,119,476</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,786,773	1,330,731
Amounts paid on redemption of redeemable units	<u>(3,787,300)</u>	<u>(3,996,695)</u>
Net cash provided by (used in) financing activities	(1,000,527)	(2,665,964)
Unrealized foreign currency translation gain (loss)	(367)	(164)
Net increase (decrease) in cash	179,598	(546,488)
Cash (bank overdraft), beginning of period	42,503	589,155
CASH (BANK OVERDRAFT), END OF PERIOD	<u>221,734</u>	<u>42,503</u>
Interest paid ⁽¹⁾	172	93
Interest received, net of withholding taxes ⁽¹⁾	345,249	349,352

⁽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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 95.2%			
Australia – 7.5%			
Government of Australia 4.50% Apr 15, 2020	AUD 890,000	906,699	883,549
Canada – 2.4%			
Canada Housing Trust No. 1 1.20% Jun 15, 2020	280,000	276,598	277,153
Germany – 5.6%			
Bundesrepublik Deutschland 3.25% Jul 04, 2021	EUR 385,000	658,002	660,186
United Kingdom – 7.3%			
United Kingdom Gilt 5.00% Mar 07, 2025	GBP 400,000	790,484	863,778
United States – 72.4%			
United States Treasury Notes 2.88% Nov 15, 2021	USD 1,531,000	2,064,376	2,113,145
United States Treasury Notes 3.00% Aug 15, 2048	USD 1,450,000	1,792,360	1,976,146
United States Treasury Notes 3.13% Nov 15, 2028	USD 3,126,000	4,159,521	4,431,719
		8,016,257	8,521,010
TOTAL INVESTMENT PORTFOLIO		10,648,040	11,205,676
Unrealized Gain (Loss) on Derivatives – 0.0%			(5,134)
OTHER ASSETS, LESS LIABILITIES – 4.8%			567,813
NET ASSETS – 100.0%			11,768,355

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. 15, 2019	British Pound	10,000	Canadian Dollar	17,281	1.728	1.741	128
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	Swedish Krona	3,950,000	US Dollar	442,785	0.112	0.113	5,018
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	Japanese Yen	146,333,200	US Dollar	1,312,500	0.009	0.009	34,030
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	Japanese Yen	72,246,500	Canadian Dollar	843,489	0.012	0.012	56,650
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	US Dollar	614,493	British Pound	462,609	0.753	0.784	32,822
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	European Euro	1,507,115	Canadian Dollar	2,286,414	1.517	1.565	72,447
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	US Dollar	1,463,251	Australian Dollar	2,053,686	1.404	1.419	21,471
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	Australian Dollar	191,231	Canadian Dollar	177,376	0.928	0.961	6,482
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	US Dollar	220,000	Canadian Dollar	285,527	1.298	1.364	14,550
State Street Bank & Trust Company	A-1+	Jan. 15, 2019	US Dollar	14,000	Canadian Dollar	18,112	1.294	1.364	984
State Street Bank & Trust Company	A-1+	Jan. 15, 2019	Australian Dollar	25,000	Canadian Dollar	23,120	0.925	0.961	916
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	US Dollar	220,000	Canadian Dollar	284,871	1.295	1.364	15,206
State Street Bank & Trust Company	A-1+	Jan. 15, 2019	British Pound	10,000	Canadian Dollar	17,139	1.714	1.741	271
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	Australian Dollar	290,000	Canadian Dollar	268,140	0.925	0.961	10,679
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	Japanese Yen	129,101,000	European Euro	1,000,000	0.008	0.008	41,265
Royal Bank of Canada	A-1+	Jan. 15, 2019	European Euro	700,000	US Dollar	801,660	1.145	1.147	2,156
Royal Bank of Canada	A-1+	Jan. 15, 2019	US Dollar	199,830	Canadian Dollar	265,000	1.326	1.364	7,564
									322,639

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	European Euro	360,000	Swedish Krona	3,749,778	10.416	10.152	(14,651)
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	European Euro	228,405	US Dollar	266,468	1.167	1.147	(5,962)
Bank of Montreal	A-1	Jan. 15, 2019	European Euro	718,856	Japanese Yen	93,386,628	129.91	125.609	(38,479)
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	Canadian Dollar	4,370,451	US Dollar	3,357,676	0.768	0.733	(209,343)
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	British Pound	350,000	European Euro	398,942	1.14	1.112	(15,096)
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	European Euro	70,000	Japanese Yen	9,005,570	128.651	125.609	(2,650)
Toronto-Dominion Bank, The	A-1+	Jan. 15, 2019	Australian Dollar	835,000	US Dollar	607,129	0.727	0.705	(25,350)
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	European Euro	700,000	US Dollar	805,315	1.15	1.147	(2,823)
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	US Dollar	801,920	European Euro	700,000	0.873	0.871	(1,814)
Canadian Imperial Bank of Commerce	A-1	Jan. 15, 2019	US Dollar	794,990	European Euro	700,000	0.881	0.871	(11,267)
									(327,435)

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

Scotia Global Bond Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	–	674,248
1-3 years	3,934,033	5,407,119
3-5 years	–	851,949
5-10 years	5,295,497	1,918,966
> 10 years	1,976,146	2,757,976
	11,205,676	11,610,258

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$225,067 or approximately 1.9% (December 31, 2017 – \$178,077 or approximately 1.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	8,582,285	(4,525,969)	4,056,316	34.5
European Euro	677,450	2,306,271	2,983,721	25.4
Japanese Yen	–	2,921,823	2,921,823	24.8
British Pound	874,831	(147,025)	727,806	6.2
Australian Dollar	883,145	(677,953)	205,192	1.7
Swedish Krona	–	25,878	25,878	0.2
	11,017,711	(96,975)	10,920,736	92.8

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$1,092,074 or approximately 9.3% of net assets (December 31, 2017 – \$917,686 or approximately 7.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

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

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	92.3	87.9	100.0	98.5
AA	7.7	7.3	–	–
	100.0	95.2	100.0	98.5

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Australia	7.5	17.1
Canada	2.4	3.5
Germany	5.6	7.2
United Kingdom	7.3	7.4
United States	72.4	63.3

Scotia Global Bond Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Bonds and debentures	-	11,205,676	-	11,205,676
Unrealized gain on currency forward contracts	-	322,639	-	322,639
	-	11,528,315	-	11,528,315
Unrealized loss on currency forward contracts	-	(327,435)	-	(327,435)
Unrealized loss on currency spot contracts	-	(338)	-	(338)
	-	11,200,542	-	11,200,542
December 31, 2017				
Bonds and debentures	-	11,610,258	-	11,610,258
Unrealized gain on currency forward contracts	-	140,315	-	140,315
	-	11,750,573	-	11,750,573
Unrealized loss on currency forward contracts	-	(100,850)	-	(100,850)
	-	11,649,723	-	11,649,723

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of 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, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Financial assets – by type				
Currency forward contracts	322,639	(268,087)	-	54,552
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	322,639	(268,087)	-	54,552
Financial liabilities – by type				
Currency forward contracts	327,435	(268,087)	-	59,348
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	327,435	(268,087)	-	59,348

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

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Global Credit Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	391,133,767	414,449,291
Derivatives	1,621,250	9,539,195
Reverse repurchase agreements	18,000,000	–
Cash	2,526,532	6,808,961
Cash collateral deposited on derivatives	901,675	1,457,119
Margin deposited on derivatives	495,988	–
Receivable for securities sold	5,127,626	1,784,690
Subscriptions receivable	–	11,100
Accrued investment income and other	4,518,880	3,840,611
	<u>424,325,718</u>	<u>437,890,967</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	11,752,155	3,093,357
Margin payable on derivatives	–	5,865,066
Payable for securities purchased	7,858,661	4,918,603
Accrued expenses	–	10
Distributions payable	–	9
	<u>19,610,816</u>	<u>13,877,045</u>
Net assets attributable to holders of redeemable units	<u>404,714,902</u>	<u>424,013,922</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	<u>404,714,902</u>	<u>424,013,922</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	<u>9.32</u>	<u>9.94</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	119,088	–
Interest for distribution purposes	16,895,838	7,670,243
Income from reverse repurchase agreements	295,136	–
Net realized gain (loss) on non-derivative financial assets	(6,358,231)	(2,087,537)
Change in unrealized gain (loss) on non-derivative financial assets	10,321,874	(6,148,313)
Net realized gain (loss) on derivatives	(14,042,722)	2,421,871
Change in unrealized gain (loss) on derivatives	(16,531,050)	6,848,819
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(9,300,067)	8,705,083
Securities lending (note 11)	21,510	29
Net realized and unrealized foreign currency translation gain (loss)	(920,323)	(544,930)
Total income (loss), net	<u>(10,198,880)</u>	<u>8,160,182</u>
EXPENSES		
Fixed administration fees (note 6)	165,832	84,089
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	12,045	378
Foreign withholding taxes/tax reclaims	33,199	16,004
Harmonized Sales Tax/Goods and Services Tax	17,877	9,093
Transaction costs	1,155	1,540
Total expenses	<u>231,357</u>	<u>112,239</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(10,430,237)</u>	<u>8,047,943</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	<u>(10,430,237)</u>	<u>8,047,943</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	<u>(0.24)</u>	<u>0.38</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	43,152,395	21,303,565

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	424,013,922	150,092
	<u>424,013,922</u>	<u>150,092</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(10,430,237)	8,047,943
	<u>(10,430,237)</u>	<u>8,047,943</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(16,380,212)	(7,431,708)
	<u>(16,380,212)</u>	<u>(7,431,708)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	4,032,567	421,617,373
Reinvested distributions		
Series I	16,380,212	7,431,699
Payments on redemption		
Series I	(12,901,350)	(5,801,477)
	<u>7,511,429</u>	<u>423,247,595</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(19,299,020)	423,863,830
	<u>(19,299,020)</u>	<u>423,863,830</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	<u>404,714,902</u>	<u>424,013,922</u>
	<u>404,714,902</u>	<u>424,013,922</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(10,430,237)	8,047,943
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	6,358,231	2,087,537
Change in unrealized (gain) loss on non-derivative financial assets	(10,321,874)	6,148,313
Net realized (gain) loss on derivatives	(345,159)	(53,955)
Change in unrealized (gain) loss on derivatives	16,531,050	(6,848,819)
Unrealized foreign currency translation (gain) loss	56,729	(11,899)
Purchases of non-derivative financial assets and liabilities	(5,672,106,571)	(3,699,026,422)
Proceeds from sale of non-derivative financial assets and liabilities	5,681,373,712	3,279,932,130
Cash collateral deposited on derivatives	555,444	(1,457,119)
Margin deposited on derivatives	(495,988)	–
Margin payable on derivatives	(5,865,066)	5,865,066
Accrued investment income and other	(678,269)	(3,840,555)
Accrued expenses and other payables	(10)	10
Net cash provided by (used in) operating activities	<u>4,631,992</u>	<u>(409,157,770)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	4,043,667	421,606,273
Amounts paid on redemption of redeemable units	(12,901,350)	(5,801,477)
Distributions to unitholders of redeemable units	(9)	–
Net cash provided by (used in) financing activities	<u>(8,857,692)</u>	<u>415,804,796</u>
Unrealized foreign currency translation gain (loss)	(56,729)	11,899
Net increase (decrease) in cash	(4,225,700)	6,647,026
Cash (bank overdraft), beginning of period	6,808,961	150,036
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,526,532</u>	<u>6,808,961</u>
Interest paid ⁽¹⁾	12,045	378
Interest received, net of withholding taxes ⁽¹⁾	16,494,472	3,800,718
Dividends received, net of withholding taxes ⁽¹⁾	104,125	–

⁽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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 94.5%				BONDS AND DEBENTURES (cont'd)			
Argentina – 0.5%				Cayman Islands (cont'd)			
Adecoagro SA (Callable) 6.00% Sep 21, 2022	USD	200,000	243,760	Park Aerospace Holdings Ltd. 5.25% Aug 15, 2022	USD	200,000	272,513
Argentina Bonar Bonds (Floating Rate) 24.23% Apr 03, 2022	ARS	6,800,000	502,430	Sands China Ltd. (Callable) 5.13% Jun 08, 2025	USD	3,000,000	3,900,210
Argentina POM Politica Monetaria (Floating Rate) 28.75% Jun 21, 2020	ARS	10,280,000	609,592	Sprite Cayman 4.25% Dec 15, 2037	USD	276,667	351,624
Argentine Republic Government International Bond 6.25% Nov 09, 2047	EUR	200,000	296,596	Wynn Macau Ltd. (Callable) 4.88% Oct 01, 2020	USD	600,000	756,576
Banco Santander Rio S.A. 25.50% Jul 17, 2019	ARS	18,200,000	1,137,421				7,070,497
HSBC Bank Argentina S.A. 25.25% Sep 07, 2019	ARS	5,170,000	329,339				7,280,559
			<u>3,119,138</u>				<u>1,940,981</u>
Australia – 0.6%				Chile – 0.1%			
GAIF Bond Issuer Pty Ltd. 3.40% Sep 30, 2026	USD	600,000	767,248	Latam Airlines 2015-1 Pass Through Trust A 4.20% Nov 15, 2027	USD	168,283	216,854
Goodman US Finance Three LLC (Callable) 3.70% Dec 15, 2027	USD	700,000	855,663				228,695
Pacific National Finance Pty Ltd. 6.00% Apr 07, 2023	USD	200,000	272,902	China – 0.3%			
WEA Finance LLC (Callable) 3.15% Mar 05, 2022	USD	200,000	258,985	Sinopec Group Overseas Development 2013 Ltd. 4.38% Oct 17, 2023	USD	900,000	1,245,412
Woodside Finance Ltd. (Callable) 3.70% Dec 15, 2027	USD	200,000	244,330				1,254,709
			<u>2,399,128</u>	Denmark – 0.0%			
			<u>1,940,981</u>	AP Moller – Maersk A/S (Callable) 3.88% Jun 28, 2025	USD	100,000	126,351
Belgium – 0.2%				France – 0.2%			
KBC Group NV, Perpetual 4.25%	EUR	600,000	931,157	SFR Group SA (Callable) 7.38% May 01, 2021	USD	500,000	705,657
			<u>797,196</u>				628,342
Bermuda – 0.4%				Germany – 1.7%			
Bacardi Ltd. (Callable) 2.75% Apr 15, 2026	USD	200,000	246,482	Bayer US Finance II LLC (Callable) 3.50% May 25, 2021	USD	500,000	659,711
Bacardi Ltd. (Callable) 4.45% Mar 15, 2025	USD	700,000	895,008	Corestate Capital Holding SA 3.50% Apr 15, 2023	EUR	100,000	153,316
S-Jets 2017-1 Ltd. 3.97% Aug 15, 2042	USD	455,556	579,512	Deutsche Bank AG (Callable) 4.88% Dec 01, 2027	USD	800,000	1,024,791
			<u>1,721,002</u>	Deutsche Bank AG 4.25% Oct 14, 2021	USD	2,600,000	3,583,559
			<u>1,804,360</u>	Deutsche Bank AG/New York NY 2.27% Jul 13, 2020	USD	100,000	128,829
Brazil – 1.4%				Volkswagen Group of America Finance LLC (Floating Rate) 3.56%			
Banco BTG Pactual SA 5.50% Jan 31, 2023	USD	400,000	507,798	Nov 12, 2021	USD	1,100,000	1,442,207
Braskem Netherlands Finance BV 4.50% Jan 10, 2028	USD	200,000	247,911				1,490,675
BRF GmbH 4.35% Sep 29, 2026	USD	200,000	219,931				<u>6,992,413</u>
Centrais Eletricas Brasileiras S.A. 5.75% Oct 27, 2021	USD	200,000	254,237	Hong Kong – 0.8%			
Gerdau Trade Inc. 4.88% Oct 24, 2027	USD	200,000	246,871	Dongfeng Motor Hong Kong International Co., Ltd. 1.15% Oct 23, 2021	EUR	400,000	599,104
Itau Unibanco Holding S.A., Perpetual 6.13%	USD	1,100,000	1,396,223	HPHT Finance 17 Ltd. 2.75% Sep 11, 2022	USD	200,000	243,592
Itau Unibanco Holding S.A., Perpetual 6.50%	USD	1,200,000	1,539,962	Melco Resorts Finance Ltd. (Callable) 4.88% Jun 06, 2020	USD	800,000	958,357
Petrobras Global Finance BV 5.75% Feb 01, 2029	USD	300,000	365,169	Studio City Co., Ltd. 5.88% Nov 30, 2019	USD	900,000	1,239,237
QGOG Constellation SA (Callable) 9.50% Nov 09, 2021	USD	150,750	93,611				<u>3,040,290</u>
Rio Oil Finance Trust Series 2018-1 8.20% Apr 06, 2028	USD	300,000	405,342				<u>3,133,988</u>
Suzano Austria GmbH 7.00% Mar 16, 2047	USD	300,000	399,521	India – 0.2%			
			<u>5,676,576</u>	Axis Bank Ltd. 3.25% May 21, 2020	USD	500,000	642,502
			<u>5,850,705</u>				675,533
Canada – 3.5%				Ireland – 1.8%			
Air Canada 2017-1 Class AA Pass Through Trust Certificates 3.30% Jan 15, 2030	USD	1,000,000	1,285,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust (Callable) 3.50% Nov 15, 2024	USD	1,700,000	2,155,537
Air Canada 2017-1 Class B Pass Through Trust Certificates 3.70% Jan 15, 2026	USD	600,000	771,000	AerCap Ireland Capital DAC / AerCap Global Aviation Trust (Callable) 3.88% Oct 23, 2027	USD	900,000	1,114,480
Brookfield Finance LLC (Callable) 4.00% Feb 01, 2024	USD	1,100,000	1,449,903	AIB Group PLC 4.75% Oct 12, 2023	USD	300,000	386,889
Cenovus Energy Inc. 5.70% Oct 15, 2019	USD	259,615	353,714	CRH America Finance Inc. (Callable) 3.95% Jan 04, 2028	USD	200,000	256,177
Cenovus Energy Inc. 6.75% Nov 15, 2039	USD	300,000	394,591	Park Aerospace Holdings Ltd. 4.50% Mar 15, 2023	USD	700,000	853,159
China Evergrande Group 6.25% Jun 28, 2021	USD	200,000	248,797	Pelabuhan Indonesia III Persero PT 4.50% May 02, 2023	USD	200,000	253,558
Country Garden Holdings Co., Ltd. 7.50% Mar 09, 2020	USD	700,000	931,029	SMBC Aviation Capital Finance DAC (Callable) 4.13% Jun 15, 2023	USD	300,000	391,406
Enbridge Inc. (Callable) 6.25% Mar 01, 2028	USD	800,000	1,014,083	SMBC Aviation Capital Finance DAC 2.65% Jul 15, 2021	USD	200,000	249,181
Export-Import Bank of China, The 0.25% Dec 02, 2019	EUR	400,000	597,684	SMBC Aviation Capital Finance DAC 3.00% Jul 15, 2022	USD	1,300,000	1,640,300
Fairfax Financial Holdings Ltd. (Callable) 2.75% Dec 29, 2027	EUR	400,000	628,952				<u>1,714,802</u>
Fairfax Financial Holdings Ltd. (Callable) 4.85% Jan 17, 2028	USD	700,000	878,876				<u>7,300,687</u>
Horse Gallop Finance Ltd. (Floating Rate) 3.52% Jun 28, 2021	USD	1,000,000	1,330,300	Israel – 0.6%			
Poly Real Estate Finance Ltd. 5.25% Apr 25, 2019	USD	300,000	393,801	Teva Pharmaceutical Finance Company 3.65% Nov 10, 2021	USD	400,000	502,309
Stans Group Holdings BV (Term Loan B) Jul 10, 2025	USD	199,500	261,071	Teva Pharmaceutical Finance Netherlands II BV (Callable) 3.25% Jan 15, 2022	EUR	400,000	640,154
Sunac China Holdings Ltd. 8.63% Jul 27, 2020	USD	1,100,000	1,454,226	Teva Pharmaceutical Finance Netherlands III BV 2.20% Jul 21, 2021	USD	400,000	476,333
Tencent Holdings Ltd. (Callable) 3.60% Oct 19, 2027	USD	800,000	1,001,904	Teva Pharmaceutical Finance Netherlands III BV 2.80% Jul 21, 2023	USD	700,000	880,009
Thomson Reuters Corporation 3.35% May 15, 2026	USD	400,000	522,169				<u>2,498,805</u>
Vanke Real Estate Hong Kong Co., Ltd. 3.95% Dec 23, 2019	USD	200,000	258,634				<u>2,477,439</u>
			<u>13,775,734</u>	Italy – 0.8%			
			<u>14,062,057</u>	Irtesa Sarnpaolo SpA 6.50% Feb 24, 2021	USD	1,000,000	1,484,031
Cayman Islands – 1.8%				Japan – 1.3%			
Ambac LSNI LLC (Callable) 7.34% Feb 12, 2023	USD	270,191	359,407	UnCredit SpA 7.83% Dec 04, 2023	USD	900,000	1,196,093
Braskem Finance Ltd. 6.45% Feb 03, 2024	USD	500,000	698,344	Wind Tre SpA (Callable) 2.47% Jan 20, 2024	EUR	300,000	447,321
CRH America Inc. 3.88% May 18, 2025	USD	200,000	272,597				<u>3,127,445</u>
METAL 2017-1 LLC 4.58% Oct 15, 2042	USD	358,127	459,226				<u>3,103,034</u>
			<u>493,205</u>	Mitsubishi UFJ Financial Group Inc. (Floating Rate) 3.20% Jul 26, 2023			
			<u>13,775,734</u>				USD 900,000 1,186,912 1,243,307
			<u>14,062,057</u>				USD 300,000 372,183 401,616
			<u>14,062,057</u>				USD 700,000 890,223 944,200

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)		
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)					
Japan (cont'd)				Switzerland (cont'd)					
Sprint Corporation 7.25% Sep 15, 2021	USD	300,000	408,015	417,527	Credit Suisse Group Funding Guernsey Ltd. 4.55% Apr 17, 2026	USD	900,000	1,204,372	1,220,382
Sumitomo Life Insurance Co. (Callable) 4.00% Sep 14, 2027	USD	500,000	588,166	630,774	Demeter Investments BV for Zurich Insurance Co., Ltd. (Callable) 5.13% Jun 01, 2028	USD	700,000	878,216	885,647
Sumitomo Mitsui Financial Group Inc. (Floating Rate) 3.20% Jul 19, 2023	USD	200,000	263,199	270,946	Syngenta Finance NV 3.93% Apr 23, 2021	USD	300,000	376,412	403,114
Sumitomo Mitsui Financial Group Inc. 3.36% Jul 12, 2027	USD	700,000	904,211	918,490	UBS AG/Stamford CT 7.63% Aug 17, 2022	USD	1,000,000	1,513,119	1,467,930
Sumitomo Mitsui Financial Group Inc. 3.54% Jan 17, 2028	USD	200,000	249,221	265,260	UBS Group Funding Switzerland AG 4.13% Sep 24, 2025	USD	250,000	335,962	338,611
			<u>4,862,130</u>	<u>5,092,120</u>			<u>9,967,149</u>	<u>9,971,421</u>	
Kuwait – 0.3%					United Arab Emirates – 0.6%				
Kuwait International Government Bond 2.75% Mar 20, 2022	USD	1,000,000	1,304,688	1,341,324	Alpha Star Holding Ltd. 4.97% Apr 09, 2019	USD	300,000	391,950	407,698
Luxembourg – 0.1%					DAE Funding LLC (Callable) 5.00% Aug 01, 2020	USD	300,000	373,456	396,724
Alice Financing SA (Callable) 7.50% May 15, 2021	USD	200,000	289,419	248,950	DP World Crescent Ltd. 4.85% Sep 26, 2028	USD	1,200,000	1,557,471	1,608,381
Mexico – 1.7%							<u>2,322,877</u>	<u>2,412,803</u>	
Banco Inbursa SA Institucion de Banca Multiple (Callable) 4.38% Jan 11, 2027	USD	300,000	386,005	374,040	United Kingdom – 7.5%				
BBVA Bancomer SA 6.75% Sep 30, 2022	USD	1,000,000	1,475,176	1,438,044	Barclays Bank PLC 7.63% Nov 21, 2022	USD	750,000	1,117,619	1,065,748
Mexico Government International Bond 4.60% Feb 10, 2048	USD	400,000	498,922	485,317	Barclays PLC (Callable) 4.61% Feb 15, 2022	USD	200,000	262,170	271,532
Petroleos Mexicanos 5.35% Feb 12, 2028	USD	1,400,000	1,716,949	1,670,008	Barclays PLC (Floating Rate) 4.04% Feb 15, 2023	USD	200,000	262,219	262,715
Petroleos Mexicanos 6.50% Mar 13, 2027	USD	1,700,000	2,359,315	2,193,976	Barclays PLC 4.38% Jan 12, 2026	USD	1,400,000	1,833,795	1,817,312
Trust F/1401 (Callable) 6.95% Jul 30, 2043	USD	700,000	946,976	916,680	Barclays PLC 7.25% Mar 15, 2023	GBP	500,000	866,689	869,418
			<u>7,383,343</u>	<u>7,078,065</u>	BAT Capital Corporation (Callable) 3.56% May 15, 2027	USD	1,700,000	2,152,198	2,057,402
Netherlands – 2.0%					BAT International Finance PLC 2.25% Sep 09, 2052	GBP	300,000	415,404	344,086
Cooperatieve Rabobank UA 4.63% May 23, 2029	GBP	1,400,000	2,718,805	2,619,937	British Airways 2013-1 Class A Pass Through Trust 4.63% Jun 20, 2024	USD	390,281	543,997	546,160
Cooperatieve Rabobank UA 6.63% Jun 29, 2021	EUR	600,000	992,916	1,018,637	FCE Bank PLC (Floating Rate) 0.18% Aug 26, 2020	EUR	100,000	148,967	153,066
Enel Finance International NV 4.63% Sep 14, 2025	USD	400,000	521,253	525,585	HSBC Holdings PLC (Callable) 3.95% May 18, 2023	USD	700,000	893,199	950,865
ING Groep NV (Callable) 4.70% Mar 22, 2023	USD	900,000	1,174,230	1,219,569	HSBC Holdings PLC (Callable) 4.29% Sep 12, 2025	USD	2,700,000	3,559,423	3,653,423
Koninklijke KPN NV 8.38% Oct 01, 2030	USD	600,000	1,075,496	1,056,372	HSBC Holdings PLC, Perpetual 5.88%	GBP	600,000	1,027,538	999,074
NXP BV / NXP Funding LLC 4.13% Jun 01, 2021	USD	300,000	410,475	407,186	Imperial Brands Finance PLC (Callable) 3.75% May 21, 2022	USD	700,000	948,415	947,857
NXP BV / NXP Funding LLC 4.13% Jun 15, 2020	USD	700,000	926,377	952,488	Lloyds Bank PLC 7.50% Apr 02, 2032	USD	400,000	398,349	436,626
United Group BV (Callable) 4.38% Jul 01, 2019	EUR	100,000	144,875	155,960	Lloyds Banking Group PLC 4.38% Mar 22, 2028	USD	1,600,000	2,080,150	2,067,755
			<u>7,964,427</u>	<u>7,955,734</u>	Lloyds Banking Group PLC 4.45% May 08, 2025	USD	400,000	515,903	537,592
Norway – 0.1%					Lloyds Banking Group PLC 7.00% Jun 27, 2019	GBP	600,000	1,037,504	1,038,740
Yara International ASA (Callable) 4.75% Mar 01, 2028	USD	400,000	514,258	545,016	Nationwide Building Society (Callable) 4.30% Mar 08, 2028	USD	300,000	384,418	385,632
Panama – 0.1%					Redkitt Benckiser Treasury Services PLC (Callable) 3.00% Mar 26, 2027	USD	1,000,000	1,324,807	1,259,187
Banco General S.A. (Callable) 4.13% May 07, 2027	USD	200,000	246,824	251,630	Royal Bank of Scotland Group PLC (Callable) 4.89% May 18, 2028	USD	1,700,000	2,187,227	2,221,226
Multibank Inc. 4.38% Nov 09, 2022	USD	200,000	254,328	265,123	Royal Bank of Scotland Group PLC 4.80% Apr 05, 2026	USD	700,000	940,818	929,920
			<u>501,152</u>	<u>516,753</u>	Santander UK Group Holdings PLC (Callable) 3.37% Jan 05, 2023	USD	1,600,000	2,000,150	2,064,888
Peru – 0.8%					Santander UK Group Holdings PLC (Callable) 4.80% Nov 15, 2023	USD	800,000	1,048,878	1,096,273
Republic of Peru 8.20% Aug 12, 2026	PEN	6,500,000	3,111,033	3,098,506	Santander UK Group Holdings PLC 6.75% Jun 24, 2024	GBP	350,000	611,249	600,610
Qatar – 0.3%					Society of Lloyd's 4.75% Oct 30, 2024	GBP	100,000	181,044	182,046
Qatar Government International Bond 3.88% Apr 23, 2023	USD	1,000,000	1,249,962	1,382,910	TP ICAP PLC 5.25% Jan 26, 2024	GBP	1,500,000	2,728,892	2,423,105
Russia – 0.1%					Virgin Media Receivables Financing Notes I DAC (Callable) 5.50% Sep 15, 2019	GBP	200,000	359,498	334,458
Sberbank of Russia Via SB Capital SA (Callable) 5.50% Feb 26, 2019	USD	200,000	255,754	273,333	Vodafone Group PLC 3.75% Jan 16, 2024	USD	400,000	515,436	536,367
Saudi Arabia – 0.3%					Vodafone Group PLC 4.38% May 30, 2028	USD	100,000	126,624	132,833
Saudi Government International Bond 2.88% Mar 04, 2023	USD	800,000	991,291	1,057,254			<u>30,472,580</u>	<u>30,185,916</u>	
Saudi Government International Bond 4.00% Apr 17, 2025	USD	200,000	249,724	272,375	United States – 60.8%				
			<u>1,241,015</u>	<u>1,329,629</u>	Activision Blizzard Inc. (Callable) 3.40% Jun 15, 2026	USD	1,000,000	1,346,510	1,290,616
Singapore – 0.2%					Aetna Inc. (Callable) 2.75% Aug 15, 2022	USD	300,000	389,868	392,581
BOC Aviation Ltd. (Callable) 2.75% Aug 18, 2022	USD	300,000	361,336	394,430	Air Lease Corporation (Callable) 3.63% Jan 01, 2027	USD	200,000	242,352	244,043
BOC Aviation Ltd. (Callable) 3.50% Jun 18, 2027	USD	400,000	483,792	511,584	Aircastle Ltd. (Callable) 4.40% Aug 25, 2023	USD	400,000	515,290	533,707
			<u>845,128</u>	<u>906,014</u>	Alexandria Real Estate Equities Inc. (Callable) 3.45% Feb 28, 2025	USD	200,000	252,925	264,198
Spain – 0.1%					Alexandria Real Estate Equities Inc. (Callable) 3.95% Oct 15, 2027	USD	300,000	397,916	395,895
CaixaBank SA, Perpetual 5.25%	EUR	200,000	283,981	266,107	Alexandria Real Estate Equities Inc. (Callable) 4.30% Oct 15, 2025	USD	150,000	204,333	205,677
Sweden – 0.8%					Alphabet Holding Co., Inc. (First Lien Term Loan) Sep 28, 2024	USD	98,750	125,257	121,909
Nordea Bank AB 3.75% Aug 30, 2023	USD	2,400,000	3,129,292	3,218,170	American Airlines 2017-2 Class AA Pass Through Trust 3.35% Oct 15, 2029	USD	291,882	363,625	376,070
Switzerland – 2.5%					American Financial Group Inc. (Callable) 3.50% May 15, 2026	USD	600,000	758,397	773,052
Credit Suisse AG 6.50% Aug 08, 2023	USD	2,400,000	3,464,101	3,426,069	American Homes 4 Rent LP (Callable) 4.25% Nov 15, 2027	USD	900,000	1,108,122	1,185,857
Credit Suisse Group AG (Callable) 3.57% Jan 09, 2022	USD	250,000	338,842	332,765	American International Group Inc. (Callable) 5.75% Apr 01, 2028	USD	100,000	130,640	121,783
Credit Suisse Group AG, Perpetual 7.50%	USD	300,000	393,391	402,910	American Tower Corporation (Callable) 3.38% Jul 15, 2026	USD	1,700,000	2,032,687	2,168,145
Credit Suisse Group Funding Guernsey Ltd. 3.80% Sep 15, 2022	USD	1,100,000	1,462,734	1,493,993	Ameriprise Financial Inc. (Callable) 2.88% Jun 15, 2026	USD	400,000	507,185	508,168
					Amgen Inc. (Callable) 4.66% Dec 15, 2050	USD	1,200,000	1,596,887	1,550,941
					Andeavor Logistics LP / Tesoro Logistics Finance Corporation (Callable) 5.25% Jan 15, 2021	USD	400,000	525,033	552,464

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)		
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)					
United States (cont'd)				United States (cont'd)					
Anthem Inc. (Callable) 4.10% Dec 01, 2027	USD	300,000	382,770	402,646	Crown Castle International Corporation 3.15% Jul 15, 2023	USD	700,000	869,047	915,363
Arch Capital Finance LLC (Callable) 4.01% Sep 15, 2026	USD	900,000	1,201,150	1,226,567	Crown Castle International Corporation 3.20% Sep 01, 2024	USD	700,000	872,624	907,246
Arrow Electronics Inc. (Callable) 3.25% Jul 08, 2024	USD	200,000	246,215	254,849	CubeSmart LP (Callable) 4.38% Sep 15, 2023	USD	100,000	137,969	139,896
Arrow Electronics Inc. (Callable) 3.88% Oct 12, 2027	USD	299,000	383,876	371,786	CVS Health Corporation (Callable) 4.30% Dec 25, 2027	USD	800,000	1,024,918	1,068,053
Assurant Inc. (Callable) 4.20% Aug 27, 2023	USD	800,000	1,031,117	1,092,879	Dell International LLC / EMC Corporation (Callable) 5.45% Apr 15, 2023	USD	2,100,000	2,921,704	2,914,599
AT&T Inc. (Callable) 4.90% Feb 14, 2037	USD	400,000	500,993	513,136	Dell International LLC / EMC Corporation 4.42% Jun 15, 2021	USD	900,000	1,195,363	1,229,551
AT&T Inc. (Callable) 5.15% Aug 14, 2049	USD	1,300,000	1,625,225	1,643,922	Diamond Resorts International Inc (First Lien Term Loan B) Sep 02, 2023	USD	197,000	257,284	251,263
AT&T Inc. (Callable) 5.25% Sep 01, 2036	USD	2,000,000	2,836,296	2,704,111	Diamond Resorts International Inc. (Callable) 7.75% Sep 01, 2019	USD	600,000	805,258	785,726
Athene Holding Ltd. (Callable) 4.13% Oct 12, 2027	USD	900,000	1,119,768	1,119,199	Discover Financial Services (Callable) 4.10% Nov 09, 2026	USD	400,000	503,441	511,478
Aviation Capital Group Corporation 7.13% Oct 15, 2020	USD	600,000	888,164	861,377	DISH DBS Corporation 7.88% Sep 01, 2019	USD	200,000	280,580	279,866
Aviation Capital Group LLC (Callable) 3.50% Jul 01, 2027	USD	100,000	122,498	123,270	DR Horton Inc. (Callable) 4.38% Jun 15, 2022	USD	200,000	274,216	275,745
AXA Equitable Holdings Inc. (Callable) 4.35% Jan 20, 2028	USD	200,000	250,477	259,560	Duke Energy Corporation (Callable) 2.65% Jun 01, 2026	USD	500,000	574,502	623,264
Banco Santander S.A. 6.25% Sep 11, 2021	EUR	400,000	617,724	615,923	Duke Realty LP 3.25% Jun 30, 2026	USD	800,000	1,024,361	1,041,534
Banco Santander S.A., Perpetual 4.75%	EUR	600,000	949,623	750,476	E*TRADE Financial Corporation 2.95% Aug 24, 2022	USD	400,000	509,398	531,113
Bank of America Corporation (Callable) 2.81% Mar 05, 2023	USD	1,400,000	1,799,340	1,872,511	eBay Inc. (Callable) 3.60% Mar 05, 2027	USD	200,000	252,454	255,935
Bank of America Corporation (Callable) 2.82% Jul 21, 2022	USD	2,400,000	3,028,812	3,153,118	Enable Midstream Partners LP (Callable) 4.95% Feb 15, 2028	USD	400,000	511,298	519,196
Bank of America Corporation (Callable) 2.88% Apr 24, 2022	USD	500,000	650,379	667,724	Enable Midstream Partners LP 3.90% May 15, 2024	USD	500,000	641,279	650,222
Bank of America Corporation (Callable) 3.25% Oct 21, 2026	USD	800,000	1,035,494	1,011,431	Enable Midstream Partners LP 4.40% Mar 15, 2027	USD	200,000	254,468	252,645
Bausch Health Cos Inc. (Callable) 5.50% Nov 01, 2020	USD	600,000	763,738	767,351	Endo Finance LLC / Endo Finco Inc. (Callable) 7.25% Jan 15, 2022	USD	100,000	122,453	118,166
Bausch Health Cos Inc. (Callable) 6.13% Apr 15, 2020	USD	100,000	110,419	119,301	Energy Transfer LP (Callable) 4.65% Mar 01, 2021	USD	1,800,000	2,396,969	2,497,295
BGC Partners Inc. 5.13% May 27, 2021	USD	1,500,000	2,038,351	2,069,774	Energy Transfer LP (Callable) 6.50% Aug 01, 2041	USD	800,000	1,195,491	1,083,942
Boston Scientific Corporation 3.85% May 15, 2025	USD	300,000	404,296	404,178	Energy Transfer Partners LP (Callable) 5.15% Sep 15, 2044	USD	400,000	505,884	476,166
Brighthouse Financial Inc. (Callable) 4.70% Dec 22, 2046	USD	300,000	379,829	305,625	Energy Transfer Partners LP (Callable) 6.05% Dec 01, 2040	USD	82,000	113,938	106,944
Brixmor Operating Partnership LP (Floating Rate) 3.36% Feb 01, 2022	USD	300,000	387,868	406,563	Enso PLC 7.75% Feb 01, 2026	USD	200,000	250,539	201,839
Broadcom Corporation / Broadcom Cayman Finance Ltd. (Callable) 3.50% Oct 15, 2027	USD	1,600,000	2,000,050	1,888,110	Entergy Louisiana LLC (Callable) 4.95% Jan 15, 2025	USD	500,000	673,494	699,323
Burlington Northern Santa Fe LLC (Callable) 4.70% Mar 01, 2045	USD	50,000	72,329	71,449	Enterprise Merger Sub Inc. (First Lien Term Loan) Oct 11, 2025	USD	200,000	257,775	254,990
Campbell Soup Company (Callable) 3.65% Feb 15, 2023	USD	1,400,000	1,782,016	1,870,591	EPR Properties (Callable) 4.75% Sep 15, 2026	USD	200,000	267,897	270,954
CBL & Associates LP (Callable) 5.95% Sep 15, 2026	USD	1,500,000	1,923,252	1,573,028	EPR Properties (Callable) 4.95% Jan 15, 2028	USD	600,000	760,586	811,266
CD&R Waterworks Merger Sub LLC (Callable) 6.13% Aug 15, 2020	USD	100,000	125,891	121,467	EQT Midstream Partners LP 4.00% Aug 01, 2024	USD	2,300,000	2,953,649	3,001,643
Cedar Fair LP / Canada's Wonderland Company / Magnum Management Corporation / Millennium Op (Callable) 5.38% Apr 15, 2022	USD	200,000	275,275	260,045	Equifax Inc. (Callable) 3.25% Mar 01, 2026	USD	200,000	256,096	252,228
Celgene Corporation (Callable) 3.88% May 15, 2025	USD	1,100,000	1,371,351	1,450,634	ERAC USA Finance LLC (Callable) 2.70% Sep 01, 2023	USD	500,000	635,125	645,734
Charles Schwab Corporation, The (Callable) 3.85% Mar 21, 2025	USD	400,000	511,618	557,350	Essex Portfolio LP (Callable) 3.63% Feb 01, 2027	USD	400,000	516,669	529,478
Charles Schwab Corporation, The, Perpetual 5.00%	USD	1,700,000	2,175,499	2,005,920	Fannie Mae, Series A 3.50% Dec 01, 2099	USD	5,900,000	7,640,822	8,046,978
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 3.75% Nov 15, 2027	USD	700,000	886,593	866,640	First American Financial Corporation 4.30% Feb 01, 2023	USD	100,000	133,777	136,935
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.20% Dec 15, 2027	USD	1,900,000	2,310,424	2,436,815	Flex Ltd. 5.00% Feb 15, 2023	USD	1,000,000	1,422,805	1,371,767
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.46% May 23, 2022	USD	310,000	440,578	428,806	FMR LLC 5.15% Feb 01, 2043	USD	400,000	595,013	586,542
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 4.91% Apr 23, 2025	USD	250,000	361,378	339,700	Ford Motor Credit Co LLC (Floating Rate) 3.30% Sep 24, 2020	USD	200,000	258,401	267,752
Charter Communications Operating LLC / Charter Communications Operating Capital (Callable) 5.75% Oct 01, 2047	USD	200,000	258,302	256,289	Ford Motor Credit Company LLC (Callable) 4.69% Apr 09, 2025	USD	3,250,000	4,192,283	4,120,843
Cheniere Corpus Christi Holdings LLC (Callable) 7.00% Jan 01, 2024	USD	1,300,000	1,871,570	1,895,239	Fortress Transportation & Infrastructure Investors LLC (Callable) 6.75% Mar 15, 2020	USD	200,000	261,917	273,645
CHS/Community Health Systems Inc. (Callable) 5.13% Aug 01, 2021	USD	100,000	123,586	128,345	Fortune Brands Home & Security Inc. (Callable) 4.00% Aug 21, 2023	USD	300,000	387,482	406,591
CHS/Community Health Systems Inc. (Callable) 8.63% Jan 15, 2021	USD	400,000	527,476	539,461	Freedom Mortgage Corporation (Callable) 8.13% Nov 15, 2020	USD	200,000	255,509	235,309
Cimarex Energy Company (Callable) 4.38% Mar 01, 2024	USD	800,000	1,094,507	1,087,374	frontdoor Inc. (First Lien Term Loan B) Aug 16, 2025	USD	100,000	130,394	131,636
Citigroup Inc. (Callable) 3.20% Jul 21, 2026	USD	1,000,000	1,274,071	1,263,157	GE Capital International Funding Co., Unlimited 4.42% Nov 15, 2035	USD	1,000,000	1,390,218	1,146,694
Citigroup Inc. (Callable) 4.08% Apr 23, 2028	USD	800,000	1,005,518	1,071,397	General Electric Company (Callable) 5.00% Jan 21, 2021	USD	1,800,000	2,368,179	1,876,842
Citigroup Inc. (Callable) 6.30% May 15, 2024	USD	350,000	440,768	441,761	GLP Capital LP / GLP Financing II Inc. 5.25% Jun 01, 2025	USD	300,000	399,265	407,186
Citigroup Inc. 3.30% Apr 27, 2025	USD	2,400,000	3,038,678	3,125,733	GLP Capital LP / GLP Financing II Inc. 5.38% Apr 15, 2026	USD	200,000	283,725	270,739
Citizens Financial Group Inc. (Callable) 2.38% Jul 28, 2021	USD	300,000	387,184	399,366	Goldman Sachs Group Inc., The (Callable) 2.91% Jul 24, 2022	USD	1,600,000	2,014,251	2,092,050
Cleco Corporation/Orate Holdings LLC (Callable) 3.74% Feb 01, 2026	USD	900,000	1,180,869	1,177,300	Goldman Sachs Group Inc., The (Callable) 3.75% Feb 22, 2025	USD	2,400,000	3,093,412	3,152,431
Conagra Brands Inc. (Callable) 4.85% Aug 01, 2028	USD	900,000	1,168,263	1,212,031	Goldman Sachs Group Inc., The (Callable) 3.75% Nov 25, 2025	USD	800,000	1,020,722	1,038,632
Concho Resources Inc. (Callable) 4.30% May 15, 2028	USD	500,000	654,595	669,010	GoodRx Inc. (First Lien Term Loan) Oct 12, 2025	USD	100,000	129,146	131,977
Consolidated Edison Company of New York Inc. (Callable) 4.63% Jun 01, 2054	USD	200,000	283,886	268,182	Halliburton Company (Callable) 3.80% Aug 15, 2025	USD	600,000	767,886	794,872
Continental Resources Inc. (Callable) 3.80% Mar 01, 2024	USD	300,000	386,535	388,793	HCA Inc. 4.75% May 01, 2023	USD	1,600,000	2,150,469	2,163,780
Covey Park Energy LLC / Covey Park Finance Corporation (Callable) 7.50% May 15, 2020	USD	100,000	133,961	119,591	Highwoods Realty LP 4.13% Mar 15, 2028	USD	200,000	251,273	267,866
CRC Escrow Issuer LLC / CRC Finco Inc. (Callable) 5.25% Oct 15, 2020	USD	300,000	374,368	354,055	Hilton Domestic Operating Co Inc. (Callable) 4.25% Sep 01, 2019	USD	100,000	126,616	129,486
Crown Americas LLC / Crown Americas Capital Corporation VI (Callable) 4.75% Feb 01, 2021	USD	100,000	124,190	129,701	Hospitality Properties Trust (Callable) 3.95% Jul 15, 2027	USD	1,000,000	1,226,340	1,232,239
					Host Hotels & Resorts LP 4.00% Jun 15, 2025	USD	250,000	331,833	332,307
					Hyatt Hotels Corporation (Callable) 4.38% Jun 15, 2028	USD	1,000,000	1,299,374	1,333,142
					IHS Markit Ltd. (Callable) 4.75% May 01, 2028	USD	200,000	264,293	266,796
					Interpublic Group of Cos Inc., The (Callable) 4.65% Jul 01, 2028	USD	400,000	517,423	540,852
					Intrepid Aviation Group Holdings LLC / Intrepid Finance Company (Callable) 8.50% Aug 15, 2019	USD	50,000	65,110	67,857
					IPALCO Enterprises Inc. (Callable) 3.70% Jul 01, 2024	USD	400,000	507,161	530,706
					Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 6.88% Apr 15, 2022	USD	200,000	260,000	266,496

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
United States (cont'd)				United States (cont'd)			
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.25% Aug 15, 2020	USD 900,000	1,134,247	1,146,669	Silversea Cruise Finance Ltd. (Callable) 7.25% Feb 01, 2020	USD 200,000	277,875	289,109
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.38% Apr 01, 2020	USD 600,000	796,649	817,401	SLM Corporation 5.13% Apr 05, 2022	USD 200,000	266,825	266,819
Jefferies Finance LLC / JFIN Co-Issuer Corporation (Callable) 7.50% Apr 15, 2021	USD 200,000	270,400	272,210	Southwestern Electric Power Company 6.20% Mar 15, 2040	USD 300,000	503,926	490,491
Jeld-Wen Inc. (Callable) 4.88% Dec 15, 2022	USD 200,000	244,636	232,035	Spirit AeroSystems Inc. (Callable) 4.60% Mar 15, 2028	USD 500,000	640,014	654,018
JPMorgan Chase & Co. (Callable) 3.30% Jan 01, 2026	USD 1,500,000	1,995,608	1,955,803	Spirit Realty LP (Callable) 4.45% Jun 15, 2026	USD 700,000	857,592	917,678
JPMorgan Chase & Company (Callable) 4.20% Jul 23, 2028	USD 700,000	919,734	958,060	Springleaf Finance Corporation 5.25% Dec 15, 2019	USD 1,200,000	1,603,927	1,645,163
Kansas City Southern (Callable) 3.13% Mar 01, 2026	USD 300,000	377,694	381,286	Springleaf Finance Corporation 7.13% Mar 15, 2026	USD 400,000	523,322	496,333
Kennedy-Wilson Inc. (Callable) 5.88% Apr 01, 2019	USD 100,000	126,546	129,049	Sprint Spectrum Company LLC / Sprint Spectrum Company II LLC / Sprint Spectrum Company III LLC 4.74% Mar 20, 2025	USD 800,000	1,035,438	1,073,553
Kerr-McGee Corporation 6.95% Jul 01, 2024	USD 800,000	1,215,361	1,218,399	SS&C Technologies Inc. (First Lien Term Loan B5) Apr 16, 2025	USD 100,000	131,281	129,165
Kilroy Realty LP (Callable) 4.38% Jul 01, 2025	USD 100,000	132,020	136,726	Standard Industries Inc. (Callable) 6.00% Oct 15, 2020	USD 225,000	313,707	295,976
Kinetic Concepts Inc. / KCI USA Inc. (Callable) 12.50% May 01, 2019	USD 100,000	139,654	146,028	Stearns Holdings LLC (Callable) 9.38% Aug 15, 2020	USD 200,000	254,541	256,780
Laboratory Corporation of America Holdings (Callable) 3.60% Nov 01, 2024	USD 200,000	261,620	263,371	Tech Data Corporation (Callable) 4.95% Nov 16, 2026	USD 500,000	692,375	643,620
Land O' Lakes Inc., Perpetual 7.00%	USD 200,000	260,041	266,513	Telefonica Emisiones SAU 4.10% Mar 08, 2027	USD 1,000,000	1,384,364	1,319,485
Lazard Group LLC (Callable) 3.63% Dec 01, 2026	USD 200,000	249,472	257,878	Time Warner Cable LLC 4.13% Feb 15, 2021	USD 700,000	944,498	964,749
Lazard Group LLC 3.75% Feb 13, 2025	USD 700,000	905,575	928,717	Time Warner Cable LLC 5.00% Feb 01, 2020	USD 200,000	277,849	276,758
LifeStorage LP (Callable) 3.50% Apr 01, 2026	USD 400,000	492,645	512,934	Transocean Guardian Ltd. (Callable) 5.88% Jul 15, 2021	USD 100,000	132,364	130,853
Marathon Oil Corporation (Callable) 4.40% Apr 15, 2027	USD 200,000	264,852	259,846	Transocean Pontus Ltd. (Callable) 6.13% Aug 01, 2021	USD 100,000	129,819	130,670
Marriott International Inc. (Callable) 4.00% Jan 15, 2028	USD 500,000	635,699	663,836	UDR Inc. (Callable) 4.63% Oct 10, 2021	USD 200,000	277,537	280,552
Marriott Ownership Resorts Inc. (First Lien Term Loan B) Aug 29, 2025	USD 100,000	129,697	133,683	United Airlines 2018-1 Class A Pass Through Trust Certificates 3.70% Mar 01, 2030	USD 300,000	368,732	396,238
Massachusetts Institute of Technology 3.89% Jul 01, 2116	USD 900,000	1,050,682	1,120,476	United States Treasury Notes 2.50% May 15, 2046	USD 11,364,000	13,043,683	14,033,008
MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer Inc. (Callable) 4.50% Oct 15, 2027	USD 200,000	242,521	239,742	United States Treasury Notes 2.63% Feb 15, 2028	USD 10,100,000	13,084,201	13,869,519
MGM Resorts International (Callable) 4.63% Jun 01, 2026	USD 300,000	379,998	370,928	United States Treasury Notes 3.00% Aug 15, 2048	USD 14,590,000	17,834,630	19,884,118
MGM Resorts International 6.00% Mar 15, 2023	USD 400,000	555,713	551,089	United States Treasury Notes 3.13% May 15, 2048	USD 2,219,000	2,969,176	3,096,680
Mico Holding Corporation (First Lien Term Loan) Sep 15, 2024	USD 594,000	741,165	770,779	United States Treasury Notes 3.13% Nov 15, 2028	USD 500,000	4,559,124	4,939,255
Microchip Technology Inc. 3.92% Jun 01, 2021	USD 100,000	128,291	135,388	United Technologies Corporation (Callable) 3.95% Jun 16, 2025	USD 800,000	1,048,455	1,086,697
Moody's Corporation (Floating Rate) 5.25% Jul 15, 2044	USD 100,000	148,679	145,806	Univision Communications Inc. (Callable) 5.13% Feb 15, 2020	USD 200,000	243,651	239,914
MSCI Inc. (Callable) 4.75% Aug 01, 2021	USD 400,000	536,901	520,142	Unum Group 5.75% Aug 15, 2042	USD 200,000	309,915	270,930
Mylan N.V. 3.95% Jun 15, 2026	USD 1,100,000	1,449,182	1,392,320	VEReal Estate Investment Trust Operating Partnership LP (Callable) 4.88% Mar 01, 2026	USD 600,000	824,323	819,369
Nasdaq Inc. (Callable) 4.25% Mar 01, 2024	USD 600,000	788,974	826,739	Verizon Communications Inc. 4.33% Sep 21, 2028	USD 3,600,000	4,749,626	4,943,100
Navient Corporation 6.63% Jul 26, 2021	USD 1,800,000	2,566,585	2,377,435	Verizon Communications Inc. 4.50% Aug 10, 2033	USD 600,000	749,919	810,906
Neuberger Berman Group LLC / Neuberger Berman Finance Corporation (Callable) 4.88% Oct 15, 2044	USD 1,000,000	1,269,545	1,212,964	ViaSat Inc. (Callable) 5.63% Sep 15, 2020	USD 100,000	121,261	125,839
Newell Brands Inc. (Callable) 3.85% Feb 01, 2023	USD 100,000	135,263	134,249	VMware Inc. (Callable) 2.95% Jul 21, 2022	USD 300,000	378,143	391,369
Newmark Group Inc. (Callable) 6.13% Oct 15, 2023	USD 500,000	647,341	667,656	VMware Inc. (Callable) 3.90% May 21, 2027	USD 700,000	874,148	855,339
NextEra Energy Capital Holdings Inc. (Callable) 4.80% Dec 01, 2027	USD 700,000	897,609	804,478	VOC Escrow Ltd. (Callable) 5.00% Feb 15, 2023	USD 100,000	125,359	126,726
Omega Healthcare Investors Inc. (Callable) 4.75% Oct 15, 2027	USD 500,000	632,067	669,248	Voya Financial Inc., Perpetual 6.13%	USD 500,000	659,152	648,804
Omega Healthcare Investors Inc. (Callable) 5.25% Oct 15, 2025	USD 25,000	34,502	34,818	Wabtec Corporation (Callable) 3.38% Sep 15, 2019	USD 100,000	129,990	136,172
ONEOK Inc. (Callable) 4.55% Apr 15, 2028	USD 200,000	265,139	271,206	Wabtec Corporation (Callable) 4.70% Jun 15, 2028	USD 200,000	259,691	256,924
ONEOK Inc. 4.00% Jul 13, 2027	USD 800,000	992,281	1,045,976	Ward Merger Corporation (Callable) 8.13% Jul 15, 2020	USD 100,000	132,589	133,464
Pacific Gas & Electric Company (Callable) 2.95% Dec 01, 2025	USD 300,000	376,245	337,432	Washington Prime Group LP 5.95% Aug 15, 2024	USD 600,000	740,511	726,469
Pacific Gas & Electric Company (Callable) 3.30% Sep 01, 2027	USD 300,000	381,725	339,884	Wells Fargo & Company (Callable) 3.58% May 22, 2027	USD 400,000	506,251	525,010
Pacific Gas & Electric Company (Callable) 4.65% May 06, 2028	USD 300,000	389,252	360,124	Wells Fargo & Company 3.00% Oct 23, 2026	USD 1,800,000	2,219,456	2,281,133
Pacific Life Insurance Co. (Callable) 4.30% Oct 24, 2047	USD 1,400,000	1,752,034	1,684,572	Wells Fargo & Company 3.55% Sep 29, 2025	USD 700,000	952,941	927,790
Patterson-UTI Energy Inc. 3.95% Feb 01, 2028	USD 1,000,000	1,256,281	1,240,554	Wells Fargo Bank NA (Callable) 2.99% Sep 21, 2021	USD 400,000	517,598	540,991
Physicians Realty LP 4.30% Mar 15, 2027	USD 200,000	265,382	266,307	Wells Fargo Bank NA (Callable) 3.63% Sep 21, 2021	USD 400,000	517,541	550,851
Pioneer Natural Resources Company (Callable) 3.95% Apr 15, 2022	USD 700,000	928,748	959,382	WestRock Company (Callable) 3.75% Jan 15, 2025	USD 700,000	894,500	931,147
Plains All American Pipeline LP / PAA Finance Corporation (Callable) 4.70% Dec 15, 2043	USD 866,000	1,018,694	1,002,732	Weyerhaeuser Company 7.38% Mar 15, 2032	USD 100,000	173,076	167,061
Plains All American Pipeline LP / PAA Finance Corporation 3.60% Nov 01, 2024	USD 300,000	367,764	390,841	Weyerhaeuser Company 8.50% Jan 15, 2025	USD 1,300,000	2,288,691	2,175,046
Principal Life Global Funding II 3.00% Apr 18, 2026	USD 500,000	642,009	655,034	WP Carey Inc. (Callable) 4.60% Jan 01, 2024	USD 245,000	332,758	340,677
Progressive Corporation, Perpetual 5.38%	USD 100,000	128,171	127,121	WPX Energy Inc. (Callable) 5.75% Jun 01, 2021	USD 100,000	131,298	125,201
Qualitytech LP/QTS Finance Corporation (Callable) 4.75% Nov 15, 2020	USD 100,000	127,971	128,056	WPX Energy Inc. 5.25% Sep 15, 2024	USD 100,000	129,984	124,187
Quicken Loans Inc. (Callable) 5.25% Jan 15, 2023	USD 700,000	874,675	859,436	WR Grace & Co-Conn (First Lien Term Loan B1) Apr 03, 2025	USD 36,842	46,554	48,765
Reinsurance Group of America Inc. (Callable) 3.95% Jun 15, 2026	USD 300,000	398,095	401,324	WR Grace & Co-Conn (First Lien Term Loan B2) Apr 03, 2025	USD 63,158	79,807	83,597
Reliance Standard Life Global Funding II 3.05% Jan 20, 2021	USD 100,000	131,667	135,286	Wyndham Destinations Inc. (Callable) 4.15% Feb 01, 2024	USD 100,000	128,819	130,659
Reliance Standard Life Global Funding II 3.85% Sep 19, 2023	USD 100,000	129,920	137,658	Wyndham Destinations Inc. (Callable) 5.10% Jul 01, 2025	USD 100,000	135,548	132,728
SASOL Financing USA LLC (Callable) 5.88% Feb 27, 2024	USD 300,000	386,549	408,125	Wynn Las Vegas LLC / Wynn Las Vegas Capital Corporation (Callable) 5.25% Feb 15, 2027	USD 1,000,000	1,333,314	1,203,777
Select Income Real Estate Investment Trust (Callable) 4.25% Feb 15, 2024	USD 1,900,000	2,421,742	2,478,996	Wynn Macau Ltd. (Callable) 5.50% Oct 01, 2022	USD 500,000	623,370	601,217
Sempra Energy (Callable) 3.40% Oct 01, 2027	USD 1,400,000	1,732,319	1,759,606				
				TOTAL BONDS AND DEBENTURES		<u>241,566,748</u>	<u>246,110,136</u>
						<u>377,854,584</u>	<u>382,028,148</u>

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, 2018

Issuer	Number of Contracts	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
OPTIONS – 0.0%				MONEY MARKET INSTRUMENTS – 2.2%			
United States – 0.0%				Treasury Bills – 2.2%			
CDX.IG31 5-Year Index, Written Put Options 0.85% Jan 16, 2019	(1,200,000)	(1,415)	(4,502)	Government of Canada 0.00% Feb 07, 2019 (pledged as collateral)	911,000	907,766	909,466
CDX.IG31 5-Year Index, Written Put Options 0.95% Jan 16, 2019	(600,000)	(999)	(791)	Government of Canada 0.00% Feb 21, 2019 (pledged as collateral)	1,535,000	1,529,030	1,531,390
CDX.IG31 5-Year Index, Written Put Options 1.00% Jan 16, 2019	(5,100,000)	(5,358)	(4,069)	Government of Canada 0.00% Mar 07, 2019 (pledged as collateral)	2,225,000	2,217,302	2,218,585
U.S. 10 Year Interest Rate Swaps, Written Call Options \$3.06 Sep 10, 2019	(3,100,000)	(85,691)	(155,677)	Government of Canada 0.00% Mar 21, 2019	835,000	831,793	832,039
U.S. 10 Year Interest Rate Swaps, Written Call Options \$3.1 Sep 13, 2019	(3,100,000)	(86,999)	(168,151)	Government of Canada 0.00% Mar 21, 2019 (pledged as collateral)	3,627,000	3,613,069	3,614,139
U.S. 2 Year Interest Rate Swaps, Call Options \$2.94 Feb 28, 2020	7,350,000	67,272	111,268	TOTAL MONEY MARKET INSTRUMENTS		9,098,960	9,105,619
U.S. 2 Year Interest Rate Swaps, Call Options \$3.05 Sep 10, 2019	14,100,000	85,660	206,702	TOTAL INVESTMENT PORTFOLIO		386,936,354	391,308,286
U.S. 2 Year Interest Rate Swaps, Call Options \$3.107 Sep 12, 2019	14,100,000	86,968	224,721	Unrealized Gain (Loss) on Derivatives – (2.5%)			(10,305,424)
U.S. 2 Year Interest Rate Swaps, Call Options \$3.12 Sep 13, 2019	14,600,000	87,614	237,095	Reverse Repurchase Agreements – 4.4%			18,000,000
U.S. 30 Year Interest Rate Swaps, Written Call Options \$3.086 Feb 28, 2020	(700,000)	(67,272)	(78,158)	OTHER ASSETS, LESS LIABILITIES – 1.4%			5,712,040
U.S. 5 Year Interest Rate Swaps, Written Call Options \$2.72 Jan 11, 2019	(1,200,000)	(2,171)	(11,332)	NET ASSETS – 100.0%			404,714,902
U.S. 5 Year Interest Rate Swaps, Written Call Options \$2.89 Jan 03, 2019	(1,200,000)	(1,820)	(23,706)				
U.S. 5 Year Interest Rate Swaps, Written Put Options \$2.96 Jan 11, 2019	(1,200,000)	(2,031)	–				
U.S. 5 Year Interest Rate Swaps, Written Put Options \$3.10 Jan 03, 2019	(1,200,000)	(1,582)	–				
USD Call / MXN Put, Written Call Options \$22.84 May 29, 2019	(590,000)	(13,835)	(6,290)				
USD Put / MXN Call, Put Options \$19.76 May 29, 2019	590,000	11,843	21,101				
TOTAL OPTIONS		(17,190)	174,519				

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 (\$)
Morgan Stanley & Co. LLC	A-1	Jan. 03, 2019	Brazilian Real	1,888,600	US Dollar	481,786	0.255	0.258	6,566
Bank of America, N.A.	A-1	Jan. 11, 2019	US Dollar	1,307,000	Canadian Dollar	1,737,003	1.329	1.364	45,774
BNP Paribas International	A-1	Jan. 11, 2019	US Dollar	884,000	Canadian Dollar	1,165,367	1.318	1.364	40,429
Bank of America, N.A.	A-1	Jan. 11, 2019	US Dollar	3,891,000	Canadian Dollar	5,160,672	1.326	1.364	146,739
JP Morgan	A-2	Jan. 11, 2019	US Dollar	656,000	Canadian Dollar	879,641	1.341	1.364	15,158
Australia & New Zealand Banking Group	A-1+	Jan. 11, 2019	US Dollar	1,664,000	Canadian Dollar	2,227,276	1.339	1.364	42,456
HSBC Bank Canada	A-1+	Jan. 11, 2019	US Dollar	1,866,000	Canadian Dollar	2,481,951	1.33	1.364	63,314
Standard Chartered Bank	A-1	Jan. 11, 2019	US Dollar	1,811,000	Canadian Dollar	2,419,424	1.336	1.364	50,819
Bank of America, N.A.	A-1	Jan. 11, 2019	US Dollar	1,429,000	Canadian Dollar	1,909,393	1.336	1.364	39,794
National Australia Bank Ltd.	A-1+	Jan. 11, 2019	US Dollar	387,000	Canadian Dollar	517,760	1.338	1.364	10,116
National Australia Bank Ltd.	A-1+	Jan. 11, 2019	US Dollar	313,000	Canadian Dollar	418,986	1.339	1.364	7,953
Standard Chartered Bank	A-1	Jan. 11, 2019	US Dollar	1,266,177	Canadian Dollar	1,700,000	1.343	1.364	27,092
Standard Chartered Bank	A-1	Jan. 11, 2019	US Dollar	1,664,000	Canadian Dollar	2,240,425	1.346	1.364	29,307
Bank of America, N.A.	A-1	Jan. 11, 2019	US Dollar	2,204,000	Canadian Dollar	2,997,971	1.36	1.364	8,329
Standard Chartered Bank	A-1	Jan. 11, 2019	US Dollar	822,000	Canadian Dollar	1,118,697	1.361	1.364	2,527
Bank of America, N.A.	A-1	Jan. 28, 2019	Egyptian Pound	9,983,090	US Dollar	533,000	0.053	0.055	26,198
Standard Chartered Bank	A-1	Jan. 28, 2019	Egyptian Pound	6,279,840	US Dollar	336,000	0.054	0.055	15,489
Standard Chartered Bank	A-1	Feb. 15, 2019	European Euro	135,000	Canadian Dollar	211,045	1.563	1.569	707
JP Morgan	A-2	Feb. 19, 2019	Turkish Lira	4,446,019	US Dollar	742,488	0.167	0.184	103,795
BNP Paribas International	A-1	Mar. 08, 2019	Hungary Forint	23,634,972	US Dollar	83,911	0.004	0.004	956
Goldman Sachs International	A-1	Mar. 20, 2019	Indian Rupee	54,033,930	US Dollar	756,248	0.014	0.014	21,089
BNP Paribas International	A-1	Mar. 20, 2019	Singapore Dollar	1,248,129	US Dollar	913,826	0.732	0.735	4,782
Barclays PLC	A-2	Apr. 23, 2019	US Dollar	775,954	Argentina Peso	33,435,858	43.09	43.484	9,598
									718,987

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 (\$)
HSBC Bank Canada	A-1+	Jan. 03, 2019	US Dollar	486,201	Brazilian Real	1,888,600	3.884	3.881	(547)
Bank of America, N.A.	A-1	Jan. 11, 2019	Canadian Dollar	134,340,486	US Dollar	100,889,548	0.751	0.733	(3,274,326)
Goldman Sachs International	A-1	Jan. 11, 2019	Canadian Dollar	133,254,033	US Dollar	100,526,216	0.754	0.733	(3,865,190)
HSBC Bank Canada	A-1+	Jan. 11, 2019	Canadian Dollar	93,716,057	US Dollar	70,472,818	0.752	0.733	(2,409,893)
Australia & New Zealand Banking Group	A-1+	Jan. 11, 2019	Canadian Dollar	5,732,742	US Dollar	2,077,000	0.76	0.733	(100,316)
Standard Chartered Bank	A-1	Jan. 11, 2019	Canadian Dollar	3,924,070	US Dollar	2,926,000	0.746	0.733	(67,036)
Bank of America, N.A.	A-1	Jan. 11, 2019	Canadian Dollar	1,605,977	US Dollar	1,200,000	0.747	0.733	(30,841)
National Australia Bank Ltd.	A-1+	Jan. 11, 2019	Canadian Dollar	4,866,928	US Dollar	3,640,000	0.748	0.733	(98,085)
Australia & New Zealand Banking Group	A-1+	Jan. 11, 2019	Canadian Dollar	884,358	US Dollar	661,000	0.747	0.733	(17,256)
Australia & New Zealand Banking Group	A-1+	Jan. 11, 2019	Canadian Dollar	416,114	US Dollar	311,000	0.747	0.733	(8,095)
Standard Chartered Bank	A-1	Jan. 11, 2019	Canadian Dollar	1,021,784	US Dollar	762,000	0.746	0.733	(17,595)
Standard Chartered Bank	A-1	Jan. 11, 2019	Canadian Dollar	1,244,409	US Dollar	926,000	0.744	0.733	(18,668)
Citigroup Global Markets Limited	A-1	Jan. 11, 2019	Canadian Dollar	2,802,508	US Dollar	2,064,000	0.736	0.733	(12,818)
HSBC Bank Canada	A-1+	Jan. 11, 2019	Canadian Dollar	562,825	US Dollar	414,000	0.736	0.733	(1,877)
Bank of America, N.A.	A-1	Jan. 16, 2019	US Dollar	589,801	Argentina Peso	24,010,800	40.71	38.651	(42,869)
BNP Paribas International	A-1	Jan. 16, 2019	US Dollar	154,920	Argentina Peso	6,018,648	38.85	38.651	(1,090)
Barclays PLC	A-2	Jan. 16, 2019	Argentina Peso	30,029,420	US Dollar	775,954	0.026	0.026	(5,072)
HSBC Bank Canada	A-1+	Jan. 25, 2019	Mexican Peso	23,699,877	US Dollar	1,229,814	0.052	0.051	(39,023)
HSBC Bank Canada	A-1+	Jan. 25, 2019	US Dollar	1,215,020	Mexican Peso	24,425,319	20.103	19.727	(31,552)
JP Morgan	A-2	Jan. 28, 2019	US Dollar	878,000	Egyptian Pound	16,168,370	18.415	18.084	(21,921)
Morgan Stanley & Co. LLC	A-1	Feb. 04, 2019	US Dollar	480,951	Brazilian Real	1,888,600	3.927	3.89	(6,210)
JP Morgan	A-2	Feb. 08, 2019	US Dollar	186,821	South African Rand	2,756,000	14.752	14.442	(5,470)
Goldman Sachs International	A-1	Feb. 15, 2019	Canadian Dollar	9,832,882	British Pound	5,712,000	0.581	0.574	(121,459)
National Australia Bank Ltd.	A-1+	Feb. 15, 2019	Canadian Dollar	7,291,796	European Euro	4,835,000	0.663	0.638	(292,398)
JP Morgan	A-2	Feb. 19, 2019	US Dollar	689,593	Turkish Lira	3,870,201	5.612	5.446	(28,732)
BNP Paribas International	A-1	Feb. 19, 2019	US Dollar	2,300,965	Peruvian New Sol	7,791,298	3.386	3.375	(10,304)
Goldman Sachs International	A-1	Mar. 08, 2019	US Dollar	144,631	Hungary Forint	40,684,000	281.295	278.866	(1,718)
Goldman Sachs International	A-1	Mar. 20, 2019	Indonesian Rupiah	11,302,543,938	US Dollar	768,881	0.00068	0.00066	(143,492)
Goldman Sachs International	A-1	Mar. 20, 2019	US Dollar	1,676,756	Singapore Dollar	2,290,277	1.366	1.361	(8,939)
									(10,682,792)

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

Scotia Private Global Credit Pool (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
BOND FUTURES CONTRACTS							
Mar. 2019	9	CME Ultra Long Term U.S. Treasury Bond Future	Morgan Stanley & Co. LLC	A-1	1,917,637	1,972,372	54,735
							<u>54,735</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
BOND FUTURES CONTRACTS							
Mar. 2019	(17)	U.S. 10 Year Treasury Note Futures	Morgan Stanley & Co. LLC	A-1	(2,815,390)	(2,829,522)	(14,131)
							<u>(14,131)</u>

UNREALIZED GAIN ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Gain (\$)
Fixed to Floating Interest Rate Swap – USD Variable Rate Coupon	Morgan Stanley	USD	December 20, 2023	(300,000)	0.00	46,641
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	USD	December 20, 2023	300,000	5.00	–
						<u>46,641</u>

UNREALIZED LOSS ON INTEREST RATE SWAP CONTRACTS

Description	Counterparty	Currency	Termination Date	Notional Amount	Interest Rate %	Unrealized Loss (\$)
Fixed to Floating Interest Rate Swap – USD Variable Rate Coupon	Goldman Sachs	USD	June 20, 2019	(600,000)	0.00	(24,500)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Goldman Sachs	USD	June 20, 2019	600,000	0.00	–
Fixed to Floating Interest Rate Swap – MP Variable Rate Coupon	Morgan Stanley	MP	February 27, 2023	(38,800,000)	8.35	(95,121)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	MP	February 27, 2023	38,800,000	7.62	–
Fixed to Floating Interest Rate Swap – HUF Variable Rate Coupon	Morgan Stanley	HUF	September 19, 2023	(444,000,000)	0.35	(20,522)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	HUF	September 19, 2023	444,000,000	1.25	–
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	USD	December 5, 2023	(1,400,000)	3.05	–
Fixed to Floating Interest Rate Swap – USD Variable Rate Coupon	Morgan Stanley	USD	December 5, 2023	1,400,000	2.75	(41,745)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	EUR	March 20, 2029	(1,100,000)	1.00	–
Fixed to Floating Interest Rate Swap – EUR Variable Rate Coupon	Morgan Stanley	EUR	March 20, 2029	1,100,000	0.00	(24,474)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	EUR	June 19, 2029	(500,000)	1.00	–
Fixed to Floating Interest Rate Swap – EUR Variable Rate Coupon	Morgan Stanley	EUR	June 19, 2029	500,000	0.00	(14,773)
Fixed to Floating Interest Rate Swap – Fixed Rate Coupon	Morgan Stanley	BP	March 20, 2049	(1,200,000)	1.75	–
Fixed to Floating Interest Rate Swap – BP Variable Rate Coupon	Morgan Stanley	BP	March 20, 2049	1,200,000	0.00	(101,525)
						<u>(322,660)</u>

UNREALIZED LOSS ON CREDIT DEFAULT SWAP CONTRACTS

Termination Date	Notional Amount (\$)	Interest Rate %	Unrealized (Loss) (\$)
PETROBRAS, Counterparty: Citibank			
6/20/2023	100,000	1.00%	(9,030)
HSBC Holdings PLC, Counterparty: Goldman Sachs			
6/20/2023	600,000	1.00%	(19,445)
HSBC Holdings PLC, Counterparty: J. P. Morgan			
6/20/2023	100,000	1.00%	(3,241)
United Mexican States, Counterparty: J. P. Morgan			
12/20/2023	1,600,000	1.00%	(53,659)
General Electric Company, Counterparty: Morgan Stanley			
12/20/2023	300,000	1.00%	(18,488)
			<u>(103,861)</u>

SCHEDULE OF REVERSE REPURCHASE AGREEMENTS

Counterparty	Credit Rating	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized by	Collateral Received	Proceeds to be Received, Including Accrued Interest	Carrying Value
Royal Bank of Canada	A-1+	1.75%	Dec. 31, 2018	Jan. 02, 2019	18,000,000	Province of Alberta 2.20% due Jun 01, 2026	19,051,000	18,001,726	18,000,000

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.

The Fund may also invest 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

Below is a summary of 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.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Interest rate exposure		
Less than 1 year	15,195,653	45,553,771
1-3 years	31,030,284	18,152,172
3-5 years	55,652,621	58,158,794
5-10 years	190,641,294	175,588,860
> 10 years	98,274,639	115,813,679
	390,794,491	413,267,276

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$6,605,619 or approximately 1.6% (December 31, 2017 – \$7,554,699 or approximately 1.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018			
Currency	Gross Currency Exposure (\$)	Currency Contracts (\$)	Net Exposure (\$)	Percentage of net assets (%)
US Dollar	363,822,204	(360,393,818)	3,428,386	0.8
Indian Rupee	–	1,038,539	1,038,539	0.3
Indonesian Rupiah	–	1,216,035	1,216,035	0.3
Argentina Peso	1,626,115	(1,014,759)	611,356	0.2
Egyptian Pound	–	(19,174)	(19,174)	0.0
Hungary Forint	167,801	(84,822)	82,979	0.0
Mexican Peso	103,956	(3,173)	100,783	0.0
New Zealand Dollar	810	–	810	0.0
Peruvian New Sol	3,183,057	(3,149,068)	33,989	0.0
Polish Zloty	94,669	–	94,669	0.0
South African Rand	67,369	(260,313)	(192,944)	0.0
Turkish Lira	–	72,959	72,959	0.0
British Pound	9,673,974	(9,954,341)	(280,367)	(0.1)
European Euro	7,138,673	(7,373,862)	(235,189)	(0.1)
Brazilian Real	885	(668,712)	(667,827)	(0.2)
Singapore Dollar	–	(1,051,681)	(1,051,681)	(0.3)
	385,879,513	(381,646,190)	4,233,323	0.9

	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	0.0
Japanese Yen	40,144	–	40,144	0.0
European Euro	7,693,881	(7,658,621)	35,260	0.0
Chile Peso	(3,307)	–	(3,307)	(0.0)
South Korean Won	–	(37,835)	(37,835)	(0.0)
British Pound	24,186,560	(24,276,925)	(90,365)	(0.0)
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 foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$423,334 or approximately 0.1% of net assets (December 31, 2017 – \$79,790 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 0.0% (December 31, 2017 – 0.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$17,454 (December 31, 2017 – nil). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Scotia Private Global Credit Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
AAA/A-1+	17.0	16.5	26.2	25.8
AA/A-1	3.4	3.3	2.1	1.9
A	14.4	13.9	15.3	14.9
BBB	50.8	49.1	41.0	40.5
BB	8.3	8.1	8.0	7.8
B	5.9	5.7	5.9	5.7
CCC	0.1	0.1	0.1	0.1
NOT RATED	0.1	0.1	1.4	1.3
Total	100.0	96.8	100.0	98.0

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Argentina	0.5	0.8
Australia	0.6	1.0
Belgium	0.2	-
Bermuda	0.4	0.4
Brazil	1.4	2.2
Canada	10.2	2.5
Cayman Islands	1.8	0.6
Chile	0.1	0.2
China	0.3	0.3
Commercial Paper	-	2.7
Denmark	-	0.1
France	0.2	0.3
Germany	1.7	1.4
Hong Kong	0.8	0.3
India	0.2	0.1
Ireland	1.8	1.2
Israel	0.6	0.5
Italy	0.8	0.5
Japan	1.3	1.0
Kuwait	0.3	0.3
Luxembourg	0.1	0.5
Mexico	1.7	1.6
Netherlands	2.0	1.6
Norway	0.1	-
Panama	0.1	0.1
Peru	0.8	-
Poland	-	0.1
Russia	0.1	0.1
Saudi Arabia	0.3	0.5
Short-Term Deposits	-	0.7
Singapore	0.2	0.2
South Africa	-	0.2
Spain	0.1	-
Sweden	0.8	-
Switzerland	2.5	3.0
Treasury Bills	-	2.2
United Arab Emirates	0.6	0.3
United Kingdom	7.5	7.8
United States	60.8	62.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	-	382,028,148	-	382,028,148
Money market instruments	-	9,105,619	-	9,105,619
Reverse repurchase agreements	-	18,000,000	-	18,000,000
Warrants, rights and options	-	800,887	-	800,887
Unrealized gain on currency forward contracts	-	718,987	-	718,987
Unrealized gain on futures contracts	54,735	-	-	54,735
	54,735	410,653,641	-	410,708,376
Liability for written options	-	(626,368)	-	(626,368)
Unrealized loss on currency forward contracts	-	(10,682,792)	-	(10,682,792)
Unrealized loss on currency spot contracts	-	(2,343)	-	(2,343)
Unrealized loss on futures contracts	(14,131)	-	-	(14,131)
	40,604	399,342,138	-	399,382,742

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, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			Net Amount (\$)
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	
Currency forward contracts	718,987	(593,862)	-	125,125
Options contracts – OTC	800,887	(621,510)	-	179,377
Swap contracts – OTC	46,641	(46,641)	-	-
	1,566,515	(1,262,013)	-	304,502

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

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	10,682,792	(593,862)	–	10,088,930
Options contracts – OTC	626,368	(621,510)	–	4,858
Swap contracts – OTC	426,521	(46,641)	(901,675)	–
	11,735,681	(1,262,013)	(901,675)	10,093,788

December 31, 2017

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

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

Interest in Underlying Funds (note 2)

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

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

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

1832 AM Investment Grade U.S. Corporate Bond Pool

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	29,354,561	
Cash	192,044	
Accrued investment income and other	259,308	
	<u>29,805,913</u>	
LIABILITIES		
Current liabilities		
Distributions payable	91,507	
	<u>91,507</u>	
Net assets attributable to holders of redeemable units	<u>29,714,406</u>	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES Series I	<u>29,714,406</u>	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT Series I	<u>10.10</u>	

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2018	U.S. \$
INCOME		
Interest for distribution purposes	184,873	
Net realized gain (loss) on non-derivative financial assets	(810)	
Change in unrealized gain (loss) on non-derivative financial assets	169,554	
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>353,617</u>	
Total income (loss), net	<u>353,617</u>	
EXPENSES		
Fixed administration fees (note 6)	1,558	
Independent Review Committee fees	484	
Foreign withholding taxes/tax reclaims	1,245	
Harmonized Sales Tax/Goods and Services Tax	190	
Total expenses	<u>3,477</u>	
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>350,140</u>	
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES Series I	<u>350,140</u>	
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT [†] Series I	<u>0.15</u>	
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES Series I	<u>2,366,027</u>	

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

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

For the period ended December 31 (note 1),

(in dollars)	2018	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	—	
	<u>—</u>	
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	350,140	
	<u>350,140</u>	
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(181,395)	
From net realized gains on investments		
Series I	(4,616)	
	<u>(186,011)</u>	
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	29,693,000	
Reinvested distributions		
Series I	7,277	
Payments on redemption		
Series I	(150,000)	
	<u>29,550,277</u>	
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	29,714,406	
	<u>29,714,406</u>	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	29,714,406	
	<u>29,714,406</u>	

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2018	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	350,140	
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	810	
Change in unrealized (gain) loss on non-derivative financial assets	(169,554)	
Purchases of non-derivative financial assets and liabilities	(30,711,520)	
Proceeds from sale of non-derivative financial assets and liabilities	1,525,703	
Accrued investment income and other	(259,308)	
Net cash provided by (used in) operating activities	<u>(29,263,729)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	29,693,000	
Amounts paid on redemption of redeemable units	(150,000)	
Distributions to unitholders of redeemable units	(87,227)	
Net cash provided by (used in) financing activities	<u>29,455,773</u>	
Net increase (decrease) in cash	192,044	
Cash (bank overdraft), beginning of period	—	
CASH (BANK OVERDRAFT), END OF PERIOD	<u>192,044</u>	
Interest received, net of withholding taxes ⁽¹⁾	154,165	

⁽¹⁾ Classified as operating items.

1832 AM Investment Grade U.S. Corporate Bond Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face	Average	Carrying
	Value (\$)	Cost (\$)	Value (\$)
	U.S. \$	U.S. \$	U.S. \$
BONDS AND DEBENTURES – 98.8%			
Corporate Bonds – 97.7%			
Aetna Inc. (Callable) 2.75% Aug 15, 2022	723,000	695,283	693,581
Aetna Inc. (Callable) 2.80% Apr 15, 2023	1,295,000	1,238,668	1,230,289
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide Inc. (Callable) 3.65% Nov 01, 2025	307,000	293,339	290,281
Apple Inc. (Callable) 3.25% Nov 23, 2025	1,020,000	986,239	997,830
APT Pipelines Ltd. (Callable) 4.20% Dec 23, 2024	1,100,000	1,084,578	1,071,352
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	1,529,000	1,458,036	1,476,907
Bank of Montreal (Callable) 4.34% Oct 05, 2023	1,303,000	1,293,572	1,300,456
BP Capital Markets America Inc. (Callable) 3.80% Jul 21, 2025	1,363,000	1,349,093	1,373,631
Comcast Corporation (Callable) 3.95% Aug 15, 2025	1,654,000	1,644,030	1,676,097
Constellation Brands Inc. (Callable) 4.40% Sep 15, 2025	1,000,000	998,120	1,007,880
Crown Castle Towers LLC (Callable) 3.22% May 15, 2021	620,000	608,786	617,080
Crown Castle Towers LLC (Callable) 3.66% Nov 15, 2023	1,274,000	1,237,691	1,239,233
Enbridge Inc. 2.90% Jul 15, 2022	1,100,000	1,062,490	1,067,721
Fortis Inc. (Callable) 2.10% Sep 04, 2021	1,575,000	1,503,053	1,516,591
Fortis Inc. 3.06% Oct 04, 2026	820,000	746,856	751,141
Great-West Lifeco Finance 2018 LP (Callable) 4.05% Feb 17, 2028	1,774,000	1,772,281	1,805,161
Heathrow Funding Ltd. 4.88% Jul 15, 2021	590,000	607,447	609,063
JPMorgan Chase & Co. (Callable) 3.20% Mar 15, 2026	1,502,000	1,409,661	1,418,601
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	1,824,000	1,695,428	1,719,913
Morgan Stanley (Callable) 3.74% Apr 24, 2023	1,877,000	1,857,555	1,840,755
Pernod Ricard SA 4.25% Jul 15, 2022	1,377,000	1,395,546	1,400,223
Reynolds American Inc. 8.13% Jun 23, 2019	713,000	735,864	729,520
Reynolds American Inc. 4.00% Jun 12, 2022	1,034,000	1,036,482	1,025,645
Suncor Energy Inc. (Callable) 3.60% Sep 01, 2024	149,000	146,676	145,791
United Parcel Service Inc. (Callable) 2.80% Sep 15, 2024	195,000	186,420	187,902
Ventas Realty LP (Callable) 3.50% Nov 01, 2024	356,000	338,129	343,446
Wells Fargo & Company 3.00% Feb 19, 2025	1,579,000	1,483,546	1,492,834
		<u>28,864,869</u>	<u>29,028,924</u>
Federal Bonds – 1.1%			
United States Treasury Notes 2.88% Nov 30, 2023	320,000	320,138	325,637
TOTAL INVESTMENT PORTFOLIO		<u>29,185,007</u>	<u>29,354,561</u>
OTHER ASSETS, LESS LIABILITIES – 1.2%			
			<u>359,845</u>
NET ASSETS – 100.0%			<u>29,714,406</u>

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

1832 AM Investment Grade U.S. Corporate Bond Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve moderate long term capital growth and provide regular income by investing primarily in U.S. dollar denominated investment grade corporate bonds. The Fund can invest up to 100% of its assets in foreign securities.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)
Less than 1 year	729,520
1-3 years	2,742,734
3-5 years	5,743,096
5-10 years	20,139,211
> 10 years	-
	<u>29,354,561</u>

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$345,470 or approximately 1.2%. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2018.

Price risk

The Fund did not have significant direct price risk exposure to equities, underlying funds, derivatives or commodities as at December 31, 2018.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	1.1	1.1
AA	3.4	3.4
A	42.0	41.4
BBB	53.5	52.9
	<u>100.0</u>	<u>98.8</u>

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. 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, 2018
Corporate Bonds	97.7
Federal Bonds	1.1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds and debentures	-	29,354,561	-	29,354,561
	-	<u>29,354,561</u>	-	<u>29,354,561</u>

Transfers between levels

During the period ended December 31, 2018, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018, 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, 2018.

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

As at December 31, 2018, 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, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,515,651,460	2,801,943,867
Derivatives	3,301,525	7,992,413
Cash	304,078,779	140,273,365
Cash collateral deposited on derivatives	2,046,161	17,720,788
Subscriptions receivable	2,028,865	2,178,791
Accrued investment income and other	4,167,855	5,116,620
	<u>2,831,274,645</u>	<u>2,975,225,844</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	29,641,706	497,250
Redemptions payable	2,242,024	1,912,888
Distributions payable	2,549,094	1,044,486
	<u>34,432,824</u>	<u>3,454,624</u>
Net assets attributable to holders of redeemable units	<u>2,796,841,821</u>	<u>2,971,771,220</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,787,733,134	2,964,687,475
Advisor Series	325,416	919,723
Series D	2,053,859	1,356,683
Series F	6,729,412	4,807,339
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.64	11.25
Advisor Series	10.10	10.85
Series D	9.41	9.97
Series F	11.40	11.98

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	38,908,930	46,843,423
Interest for distribution purposes	47,614,722	40,177,998
Net realized gain (loss) on non-derivative financial assets	124,891,354	104,155,045
Change in unrealized gain (loss) on non-derivative financial assets	(154,589,668)	37,544,855
Net realized gain (loss) on derivatives	(23,996,551)	3,458,176
Change in unrealized gain (loss) on derivatives	<u>(33,552,973)</u>	<u>8,022,972</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(724,186)	240,202,469
Securities lending (note 11)	56,139	51,740
Net realized and unrealized foreign currency translation gain (loss)	14,224,101	(8,894,983)
Other income	34,154	39,798
	<u>13,590,208</u>	<u>231,399,024</u>
Total income (loss), net		
EXPENSES		
Management fees (note 5)	36,454,908	36,429,205
Fixed administration fees and operating expenses (note 6)	1,752,026	1,752,730
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	9,687	6,180
Foreign withholding taxes/tax reclaims	2,424,650	2,943,363
Harmonized Sales Tax/Goods and Services Tax	4,271,742	4,268,892
Transaction costs	1,867,458	1,785,846
Total expenses	46,781,720	47,187,351
Expenses absorbed by the Manager	(676)	(2,744)
	<u>46,781,044</u>	<u>47,184,607</u>
Net expenses		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(33,190,836)</u>	<u>184,214,417</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(33,132,613)	183,803,644
Advisor Series	(4,594)	83,411
Series D	(19,169)	59,079
Series F	(34,460)	268,283
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.13)	0.70
Advisor Series	(0.08)	0.71
Series D	(0.10)	0.87
Series F	(0.07)	0.81
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	261,533,183	262,547,426
Advisor Series	60,709	118,142
Series D	191,922	67,573
Series F	515,101	332,114

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

Scotia Diversified Monthly Income Fund (continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,964,687,475	2,851,243,861
Advisor Series	919,723	1,475,389
Series D	1,356,683	114,831
Series F	4,807,339	3,279,211
	<u>2,971,771,220</u>	<u>2,856,113,292</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(33,132,613)	183,803,644
Advisor Series	(4,594)	83,411
Series D	(19,169)	59,079
Series F	(34,460)	268,283
	<u>(33,190,836)</u>	<u>184,214,417</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(45,451,060)	(39,107,016)
Advisor Series	(10,688)	(16,656)
Series D	(36,300)	(11,204)
Series F	(136,207)	(79,911)
From net realized gains on investments		
Series A	(80,521,033)	(62,997,742)
Advisor Series	(18,623)	(27,504)
Series D	(51,109)	(13,749)
Series F	(167,522)	(84,715)
From return of capital		
Series D	-	(1,734)
	<u>(126,392,542)</u>	<u>(102,340,231)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	344,795,260	358,374,913
Series D	1,172,398	1,505,867
Series F	4,097,744	2,642,657
Reinvested distributions		
Series A	117,942,469	95,280,046
Advisor Series	10,358	13,057
Series D	64,944	20,584
Series F	205,405	120,842
Payments on redemption		
Series A	(480,587,364)	(421,910,231)
Advisor Series	(570,760)	(607,974)
Series D	(433,588)	(316,991)
Series F	(2,042,887)	(1,339,028)
	<u>(15,346,021)</u>	<u>33,783,742</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(176,954,341)	113,443,614
Advisor Series	(594,307)	(555,666)
Series D	697,176	1,241,852
Series F	1,922,073	1,528,128
	<u>(174,929,399)</u>	<u>115,657,928</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,787,733,134	2,964,687,475
Advisor Series	325,416	919,723
Series D	2,053,859	1,356,683
Series F	6,729,412	4,807,339
	<u>2,796,841,821</u>	<u>2,971,771,220</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(33,190,836)	184,214,417
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(124,891,354)	(104,155,045)
Change in unrealized (gain) loss on non-derivative financial assets	154,589,668	(37,544,855)
Net realized (gain) loss on derivatives	(1,935,954)	(5,264,207)
Change in unrealized (gain) loss on derivatives	33,552,973	(8,022,972)
Unrealized foreign currency translation (gain) loss	3,538,047	(1,124,283)
Other non-cash transactions	(39,379,150)	(36,768,025)
Purchases of non-derivative financial assets and liabilities	(2,078,458,315)	(1,248,611,666)
Proceeds from sale of non-derivative financial assets and liabilities	2,376,649,882	1,289,333,350
Cash collateral deposited on derivatives	15,674,627	(17,720,788)
Accrued investment income and other	948,765	(1,311,984)
Accrued expenses and other payables	-	(113,932)
Net cash provided by (used in) operating activities	<u>307,098,353</u>	<u>12,910,010</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	346,321,391	361,238,728
Amounts paid on redemption of redeemable units	(479,411,526)	(424,157,443)
Distributions to unitholders of redeemable units	(6,664,757)	(6,397,320)
Net cash provided by (used in) financing activities	<u>(139,754,892)</u>	<u>(69,316,035)</u>
Unrealized foreign currency translation gain (loss)	(3,538,047)	1,124,283
Net increase (decrease) in cash	167,343,461	(56,406,025)
Cash (bank overdraft), beginning of period	140,273,365	195,555,107
CASH (BANK OVERDRAFT), END OF PERIOD	<u>304,078,779</u>	<u>140,273,365</u>
Interest paid ⁽¹⁾	9,687	6,180
Interest received, net of withholding taxes ⁽¹⁾	9,244,256	3,438,759
Dividends received, net of withholding taxes ⁽¹⁾	36,492,422	42,714,490

⁽¹⁾ Classified as operating items.

Scotia Diversified Monthly Income Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares/ Number of Units/ Number of Contracts/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Units/ Number of Contracts/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 46.0%				EQUITIES (cont'd)			
Scotia Canadian Income Fund Series I [†]	71,130,378	958,475,590	944,888,824	Health Care (cont'd)			
Scotia Private Canadian Corporate Bond Pool Series I [†]	32,540,640	341,141,970	342,008,632	UnitedHealth Group Incorporated	99,000	28,858,502	33,642,822
		1,299,617,560	1,286,897,456			119,507,509	144,646,104
FOREIGN EQUITY FUNDS – 1.1%				Industrials – 2.1%			
GSO Capital Solutions Fund III LP*	2,410,223	3,201,828	3,689,902	Canadian National Railway Company	124,200	12,047,413	12,557,862
Scotia Private Options Income Pool Series I [†]	2,778,297	28,055,424	25,897,337	Canadian Pacific Railway Limited	108,500	22,121,143	26,283,040
		31,257,252	29,587,239	Honeywell International Inc.	108,300	17,333,753	19,518,465
						51,502,309	58,359,367
BONDS AND DEBENTURES – 1.0%				Information Technology – 1.5%			
Corporate Bonds – 1.0%				MasterCard Inc., Written Put Options \$182.50 Jan 25, 2019	(586)	(259,571)	(335,734)
Hydro One Ltd. 4.00% Sep 30, 2027	46,289,000	15,651,053	14,766,191	Microsoft Corporation	205,200	23,655,712	28,430,954
Timbercreek 8.00% Jul 20, 2024*	EUR 8,756,000	13,232,007	13,687,880	Texas Instruments Incorporated	110,500	14,437,831	14,244,353
		28,883,060	28,454,071	Visa Inc., Class A, Written Put Options \$130.00 Jan 25, 2019	(823)	(249,450)	(392,931)
						37,584,522	41,946,642
TOTAL BONDS AND DEBENTURES				Materials – 1.3%			
		28,883,060	28,454,071	DowDuPont Inc.	517,700	45,567,925	37,767,496
EQUITIES – 36.1%				Options on Index Based Exchange-Traded Funds – 0.0%			
Communication Services – 4.8%				SPDR S&P 500 ETF, Call Options \$292.00 Jan 18, 2019	7,345	750,142	10,019
BCE Inc.	827,000	41,764,957	44,600,110	SPDR S&P 500 ETF, Written Call Options \$307.00 Jan 18, 2019	(7,345)	(72,593)	(5,010)
Comcast Corporation, Class A	916,800	31,296,573	42,583,402			677,549	5,009
Rogers Communications, Inc., Class B	430,300	19,625,458	30,103,788				
TELUS Corporation	377,564	17,736,852	17,084,771				
		110,423,840	134,372,071	Real Estate – 3.7%			
Consumer Discretionary – 2.6%				American Tower Corporation			
Comcast Corporation, Class A, Written Put Options \$34.00 Feb 01, 2019	(2,027)	(215,551)	(366,369)	78,500	10,687,958	16,939,372	
Home Depot Inc., The	149,500	27,328,926	35,039,955	Canadian Apartment Properties Real Estate Investment Trust	618,178	15,198,044	27,385,285
McDonald's Corporation	87,100	18,548,819	21,097,762	Equinix Inc.	25,200	13,383,142	12,119,430
TIAX Companies, Inc., The	267,800	14,117,508	16,343,881	Equity Residential Real Estate Investment Trust	94,800	7,491,689	8,536,242
		59,779,702	72,115,229	First Capital Realty, Inc.	1,095,678	17,993,571	20,653,530
Consumer Staples – 2.5%				Smart Real Estate Investment Trust			
Coca-Cola Company, The	260,600	14,977,400	16,832,283	488,500	13,442,604	15,060,455	
Costco Wholesale Corporation	99,600	23,531,131	27,677,083	Starwood Global Opportunity Fund XI, LP, Restricted*	7,326	959,051	1,771,339
Costco Wholesale Corporation, Written Put Options \$192.50 Jan 25, 2019	(635)	(254,110)	(181,038)			79,156,059	102,465,653
Loblaws Companies Limited	428,800	18,577,143	26,203,968	Utilities – 2.5%			
		56,831,564	70,532,296	Fortis Inc.	833,290	30,068,840	37,923,028
Energy – 3.8%				Hydro One Limited			
Canadian Natural Resources Ltd.	655,800	28,658,390	21,602,052	704,500	14,842,166	14,266,125	
Enbridge Inc.	658,200	29,249,417	27,914,262	NextEra Energy, Inc.	78,100	10,972,957	18,518,227
Marathon Petroleum Corporation, Written Put Options \$62.00 Jan 11, 2019	(840)	(271,801)	(398,183)			55,883,963	70,707,380
Pembina Pipeline Corporation	367,100	11,771,997	14,871,221	TOTAL EQUITIES			
Suncor Energy, Inc.	620,165	29,029,054	23,646,891		892,236,542	1,011,807,223	
TransCanada Corporation	411,180	20,389,539	20,045,025	MONEY MARKET INSTRUMENTS – 5.6%			
		118,826,596	107,681,268	Bankers' Acceptances – 2.0%			
Financials – 6.1%				Bank of Nova Scotia, The 0.00% Jan 03, 2019 [†]			
Bank of Nova Scotia, The [†]	373,800	23,805,195	25,437,090	4,383,000	4,374,628	4,382,507	
Blackstone Group LP, Written Put Options \$33.00 Jan 18, 2019	(1,699)	(947,857)	(776,402)	Bank of Nova Scotia, The 0.00% Jan 28, 2019 [†]	14,072,000	14,024,859	14,050,427
Blackstone Group LP, Written Put Options \$35.00 Jan 18, 2019	(1,615)	(1,307,807)	(1,156,592)	Royal Bank of Canada 0.00% Jan 30, 2019	18,460,000	18,399,267	18,429,634
Brookfield Asset Management Inc., Class A	523,900	21,498,755	27,410,448	Toronto-Dominion Bank, The 0.00% Feb 28, 2019	18,485,000	18,388,878	18,423,055
Canadian Imperial Bank of Commerce	247,200	26,234,104	25,135,296			55,187,632	55,285,623
iShares Trust, Call Options \$160.00 Jan 18, 2019	7,800	1,555,333	5,320	Treasury Bills – 3.6%			
JPMorgan Chase & Co.	200,500	21,755,005	26,699,419	United States Treasury Bills 0.00% Feb 07, 2019	USD 21,612,000	28,457,576	29,411,707
Royal Bank of Canada	319,900	26,254,138	29,891,455	United States Treasury Bills 0.00% Jan 10, 2019	USD 214,000	276,206	291,762
Sun Life Financial Inc.	273,400	13,112,678	12,382,286	United States Treasury Bills 0.00% Jan 10, 2019 (pledged as collateral)	USD 30,000,000	38,720,492	40,901,283
Toronto-Dominion Bank, The	385,800	24,535,460	26,180,388	United States Treasury Bills 0.00% May 09, 2019	USD 21,755,000	28,457,324	29,418,176
		156,495,004	171,208,708			95,911,598	100,022,928
Health Care – 5.2%				TOTAL MONEY MARKET INSTRUMENTS			
Johnson & Johnson	229,200	37,298,002	40,347,929		151,099,230	155,308,551	
Medtronic PLC	284,100	26,594,863	35,250,909	Transaction Costs			
Pfizer Inc.	594,600	26,756,142	35,404,444		(508,992)		
				TOTAL INVESTMENT PORTFOLIO			
					2,402,584,652	2,512,054,540	
				Unrealized Gain (Loss) on Derivatives – (0.8%)			
				OTHER ASSETS, LESS LIABILITIES – 11.0%			
				NET ASSETS – 100.0%			

* 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.

[†] Investment in related party (note 10)

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	Jan. 17, 2019	US Dollar	26,200,000	Canadian Dollar	35,111,668	1.34	1.364	624,409
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	US Dollar	26,245,355	Canadian Dollar	35,185,835	1.341	1.364	612,103
Bank of Nova Scotia, The	A-1	Jan. 17, 2019	US Dollar	43,300,000	Canadian Dollar	58,494,620	1.351	1.364	565,339
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	US Dollar	43,201,299	Canadian Dollar	58,262,957	1.349	1.364	662,386
Bank of Nova Scotia, The	A-1	Jan. 17, 2019	US Dollar	16,423,725	Canadian Dollar	22,380,446	1.363	1.364	21,024
									<u>2,485,261</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	Canadian Dollar	253,570,855	US Dollar	195,021,500	0.769	0.733	(12,434,055)
Bank of Nova Scotia, The	A-1	Jan. 17, 2019	Canadian Dollar	253,566,927	US Dollar	195,021,479	0.769	0.733	(12,437,955)
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	Canadian Dollar	13,056,249	European Euro	8,740,000	0.669	0.639	(626,083)
									<u>(25,498,093)</u>

UNREALIZED GAIN ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Gain (\$)
Blackstone Group LP, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
350,900	5/17/2019	10,105,920	3.07%	469,346
77,700	9/23/2019	2,237,760	3.07%	103,928
10,500	9/23/2019	302,400	3.07%	14,044
55,693	9/25/2019	1,603,958	3.07%	74,492
104,007	9/26/2019	2,995,402	3.07%	139,115
				<u>800,925</u>

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
109,400	4/24/2019	2,740,470	3.07%	(72,472)
233,300	4/25/2019	5,844,165	3.07%	(154,550)
64,478	8/23/2019	1,615,174	3.07%	(42,714)
262,200	4/11/2019	6,568,110	3.07%	(173,695)
22	6/27/2019	551	3.07%	(15)
132,700	11/7/2019	3,324,135	3.07%	(87,908)
				<u>(531,354)</u>

The swap contracts outstanding at Dec 31, 2018 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 investment 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 may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	155,308,551	–
1-3 years	13,687,880	–
3-5 years	–	5,167,737
5-10 years	14,766,191	10,095,495
> 10 years	–	–
	183,762,622	15,263,232

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$286,341 or approximately 0.0% (December 31, 2017 – \$225,550 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	840,682,304	(322,553,138)	518,129,166	18.5
European Euro	14,461,079	(13,682,332)	778,747	0.0
British Pound	362,820	–	362,820	0.0
Swedish Krona	224,035	–	224,035	0.0
	855,730,238	(336,235,470)	519,494,768	18.5

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,005,991,521	(461,557,664)	544,433,857	18.3
British Pound	85,492,992	(41,146,183)	44,346,809	1.5
Hong Kong Dollar	28,762,124	(12,322,508)	16,439,616	0.6
European Euro	19,641,758	(10,328,142)	9,313,616	0.3
Swedish Krona	14,205,108	(7,369,111)	6,835,997	0.2
Japanese Yen	100,050	–	100,050	0.0
	1,154,193,553	(532,723,608)	621,469,945	20.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$51,949,477 or approximately 1.9% of net assets (December 31, 2017 – \$62,146,995 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 83.3% (December 31, 2017 – 93.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$232,856,149 (December 31, 2017 – \$278,680,738). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	74.6	4.9	–	–
A-1	10.0	0.7	–	–
A	8.0	0.5	–	–
NOT RATED	7.4	0.5	100.0	0.5
	100.0	6.6	100.0	0.5

Scotia Diversified Monthly Income 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. 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, 2018	December 31, 2017
Bankers' Acceptances	2.0	–
Communication Services	4.8	–
Consumer Discretionary	2.6	3.1
Consumer Staples	2.5	4.5
Corporate Bonds	1.0	0.5
Energy	3.9	6.6
Financials	6.1	12.3
Fixed Income Funds	46.0	34.5
Foreign Equity Funds	1.1	1.0
Health Care	5.2	3.8
Industrials	2.1	4.9
Information Technology	1.5	9.0
Materials	1.4	4.0
Real Estate	3.7	3.8
Telecommunication Services	–	3.2
Treasury Bills	3.6	–
Utilities	2.5	3.0

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,013,632,804	–	–	1,013,632,804
Bonds and debentures	–	14,766,191	13,687,880	28,454,071
Underlying funds	1,312,794,793	–	5,461,241	1,318,256,034
Money market instruments	–	155,308,551	–	155,308,551
Warrants, rights and options	15,339	–	–	15,339
Unrealized gain on currency forward contracts	–	2,485,261	–	2,485,261
Unrealized gain on swap contracts	–	800,925	–	800,925
	2,326,442,936	173,360,928	19,149,121	2,518,952,985
Liability for written options	(3,612,259)	–	–	(3,612,259)
Unrealized loss on currency forward contracts	–	(25,498,093)	–	(25,498,093)
Unrealized loss on swap contracts	–	(531,354)	–	(531,354)
	2,322,830,677	147,331,481	19,149,121	2,489,311,279

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

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	5,167,737	–
Purchases	13,015,582	5,070,908
Sales/Return of Capital	(690,862)	–
Transfer into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(2,743)	–
Net change in unrealized gain (loss)*	1,659,407	96,829
End of period	19,149,121	5,167,737

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was \$1,656,664 and \$96,829, respectively.

Level 3 valuation techniques

Below is a summary of 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 table also illustrates 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 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 below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2018 (\$)	Change in Valuation (\$)
Debt	Fair value based on transaction price	Transaction price	13,687,880	n/a
Underlying funds	Fundamental model analysis based on financial data	Company NAV	5,461,241	n/a
			19,149,121	

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

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

Scotia Diversified Monthly Income Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

Below is a summary of 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, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	2,485,261	(2,485,261)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	800,925	(531,354)	–	269,571
	3,286,186	(3,016,615)	–	269,571

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	25,498,093	(2,485,261)	–	23,012,832
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	531,354	(531,354)	(2,046,161)	–
	26,029,447	(3,016,615)	(2,046,161)	23,012,832

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

December 31, 2017				
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)	–	–

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	944,888,824	15.0
Scotia Private Canadian Corporate Bond Pool Series I	342,008,632	6.5
Scotia Private Options Income Pool Series I	25,897,337	3.4
GSO Capital Solutions Fund III LP	3,689,902	0.7
Starwood Global Opportunity Fund XI, LP, Restricted	1,771,339	0.3
	1,318,256,034	

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

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

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

Scotia Income Advantage Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	160,828,214	192,938,633
Derivatives	187,672	782,540
Cash	27,365,248	20,728,005
Cash collateral deposited on derivatives	830,000	3,101,588
Margin deposited on derivatives	13	-
Receivable for securities sold	-	148,027
Subscriptions receivable	112,205	174,969
Accrued investment income and other	488,822	699,866
	<u>189,812,174</u>	<u>218,573,628</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	2,118,840	36,322
Redemptions payable	335,394	241,587
Distributions payable	91,198	328,177
	<u>2,545,432</u>	<u>606,086</u>
Net assets attributable to holders of redeemable units	<u>187,266,742</u>	<u>217,967,542</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	176,962,676	201,121,922
Series D	215,350	86,092
Series K	1,096	1,098
Series M	10,087,620	16,758,430
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.41	11.05
Series D	9.88	10.46
Series K	9.61	10.16
Series M	10.75	11.30

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	3,622,556	4,498,299
Interest for distribution purposes	2,235,829	1,960,855
Net realized gain (loss) on non-derivative financial assets	7,581,466	11,126,119
Change in unrealized gain (loss) on non-derivative financial assets	(10,441,934)	4,623
Net realized gain (loss) on derivatives	(1,565,879)	496,139
Change in unrealized gain (loss) on derivatives	<u>(2,659,728)</u>	<u>780,445</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,227,690)	18,866,480
Securities lending (note 11)	5,820	11,772
Net realized and unrealized foreign currency translation gain (loss)	1,414,425	(1,072,953)
Other income	2,592	2,524
Total income (loss), net	<u>195,147</u>	<u>17,807,823</u>
EXPENSES		
Management fees (note 5)	3,163,254	3,364,308
Fixed administration fees (note 6)	138,959	149,178
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	12,250	224
Foreign withholding taxes/tax reclaims	235,689	261,573
Other fund costs	6,313	3,463
Harmonized Sales Tax/Goods and Services Tax	339,078	358,750
Transaction costs	138,218	149,734
Total expenses	<u>4,035,010</u>	<u>4,288,365</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(3,839,863)</u>	<u>13,519,458</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(3,860,451)	12,020,557
Series D	(2,424)	572
Series K	(2)	81
Series M	23,014	1,498,248
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.22)	0.65
Series D	(0.12)	0.65
Series K	(0.02)	0.78
Series M	0.02	0.88
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	17,541,298	18,492,879
Series D	20,644	886
Series K	110	104
Series M	1,170,601	1,706,902

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

Scotia Income Advantage Fund (continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	201,121,922	203,167,018
Series D	86,092	5,062
Series K	1,098	1,017
Series M	16,758,430	21,521,630
	<u>217,967,542</u>	<u>224,694,727</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(3,860,451)	12,020,557
Series D	(2,424)	572
Series K	(2)	81
Series M	23,014	1,498,248
	<u>(3,839,863)</u>	<u>13,519,458</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(2,135,539)	(1,710,043)
Series D	(4,759)	(174)
Series K	(35)	(27)
Series M	(307,346)	(503,058)
From net realized gains on investments		
Series A	(4,022,396)	(5,879,746)
Series D	(4,852)	(264)
Series K	(25)	(31)
Series M	(229,776)	(560,847)
From return of capital		
Series A	(1,175,763)	(156,511)
Series D	-	(99)
Series M	(41,596)	-
	<u>(7,922,087)</u>	<u>(8,810,800)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	19,018,321	20,629,585
Series D	225,824	83,617
Series M	1,581,945	403,487
Reinvested distributions		
Series A	6,696,013	7,143,851
Series D	9,263	538
Series K	60	58
Payments on redemption		
Series A	(38,679,431)	(34,092,789)
Series D	(93,794)	(3,160)
Series M	(7,697,051)	(5,601,030)
	<u>(18,938,850)</u>	<u>(11,435,843)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(24,159,246)	(2,045,096)
Series D	129,258	81,030
Series K	(2)	81
Series M	(6,670,810)	(4,763,200)
	<u>(30,700,800)</u>	<u>(6,727,185)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	176,962,676	201,121,922
Series D	215,350	86,092
Series K	1,096	1,098
Series M	10,087,620	16,758,430
	<u>187,266,742</u>	<u>217,967,542</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(3,839,863)	13,519,458
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,581,466)	(11,126,119)
Change in unrealized (gain) loss on non-derivative financial assets	10,441,934	(4,623)
Net realized (gain) loss on derivatives	(149,934)	(403,030)
Change in unrealized (gain) loss on derivatives	2,659,728	(780,445)
Unrealized foreign currency translation (gain) loss	346,969	(350,415)
Other non-cash transactions	(1,185,819)	(833,700)
Purchases of non-derivative financial assets and liabilities	(183,609,013)	(123,510,517)
Proceeds from sale of non-derivative financial assets and liabilities	214,360,402	137,854,788
Cash collateral deposited on derivatives	2,271,588	(3,101,588)
Margin deposited on derivatives	(13)	-
Accrued investment income and other	211,044	29,856
Accrued expenses and other payables	-	(11,866)
Net cash provided by (used in) operating activities	<u>33,925,557</u>	<u>11,281,799</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	20,879,104	21,128,939
Amounts paid on redemption of redeemable units	(46,366,719)	(39,629,077)
Distributions to unitholders of redeemable units	(1,453,730)	(1,472,520)
Net cash provided by (used in) financing activities	<u>(26,941,345)</u>	<u>(19,972,658)</u>
Unrealized foreign currency translation gain (loss)	(346,969)	350,415
Net increase (decrease) in cash	6,984,212	(8,690,859)
Cash (bank overdraft), beginning of period	20,728,005	29,068,449
CASH (BANK OVERDRAFT), END OF PERIOD	<u>27,365,248</u>	<u>20,728,005</u>
Interest paid ⁽¹⁾	12,250	224
Interest received, net of withholding taxes ⁽¹⁾	1,753,950	1,832,206
Dividends received, net of withholding taxes ⁽¹⁾	2,882,516	3,567,642

⁽¹⁾ Classified as operating items.

Scotia Income Advantage Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)/ Number of Shares/ Contracts			
					Number of Contracts	Average Cost (\$)	Carrying Value (\$)	
FIXED INCOME FUNDS – 22.4%				BONDS AND DEBENTURES (cont'd)				
Dynamic Credit Spectrum Fund Series O ¹	634,913	5,457,570	5,193,585	Corporate Bonds (cont'd)				
Dynamic High Yield Bond Fund Series O ¹	1,821,997	5,603,553	5,156,250	Royal Bank of Canada 2.95% May 01, 2023	1,642,000	1,633,248	1,645,665	
Scotia Money Market Fund Series I ¹	657,996	6,579,958	6,579,958	Smart Real Estate Investment Trust 3.56% Feb 06, 2025	115,000	112,773	112,400	
Scotia Total Return Bond LP Series I ¹	2,025,762	25,091,402	25,052,199	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	123,000	124,597	119,088	
		42,732,483	41,981,992	TELUS Corporation (Callable) 3.63% Dec 01, 2027	415,000	408,701	406,980	
				TELUS Corporation (Callable) 3.75% Oct 17, 2024	43,000	44,397	43,455	
FOREIGN EQUITY FUNDS – 1.2%				Timbercreek 8.00% Jul 20, 2024*	EUR	663,000	1,001,902	1,036,440
GSO Capital Solutions Fund III LP*	183,673	243,998	281,192	TMX Group Ltd. 3.00% Dec 11, 2024	425,000	419,500	419,356	
Scotia Private Options Income Pool Series I ¹	216,713	2,194,641	2,020,043	TMX Group Ltd. 3.78% Jun 05, 2028	56,000	55,765	56,630	
		2,438,639	2,301,235	Toronto-Dominion Bank, The (Callable) 3.59% Sep 14, 2023	18,000	18,000	17,929	
				Toronto-Dominion Bank, The 3.01% May 30, 2023	941,000	939,097	946,585	
BONDS AND DEBENTURES – 12.0%				Toronto-Dominion Bank, The 3.23% Jul 24, 2024	267,000	284,354	270,824	
Corporate Bonds – 10.5%				Union Gas Ltd. (Callable) 3.79% Apr 10, 2023	158,000	173,105	163,699	
Alectra Inc. (Callable) 2.49% Feb 17, 2027	203,000	203,000	194,701	United Parcel Service Inc. (Callable) 2.13% Mar 21, 2024	216,000	213,832	206,017	
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	279,000	280,063	279,087	Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024	278,000	281,173	285,130	
Alliance Pipeline LP 4.93% Dec 16, 2019	265,000	282,647	270,039	Videotron Ltd. (Callable) 5.63% Mar 15, 2025	230,000	246,450	233,738	
Alliance Pipeline LP 6.77% Dec 31, 2025	42,354	48,329	48,061	Wells Fargo & Company 2.51% Oct 27, 2023	250,000	240,792	239,803	
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	447,000	451,431	440,684	Westcoast Energy Inc. 3.12% Dec 05, 2022	264,000	260,214	264,454	
AltaLink LP. (Callable) 3.40% Mar 06, 2024	315,000	324,598	323,515			19,943,040	19,742,332	
Apple Inc. 2.51% Aug 19, 2024	158,000	151,304	153,650					
Bank of America Corporation (Callable) 3.41% Sep 20, 2024	229,000	228,177	227,004	Federal Bonds – 1.3%				
Bank of Montreal (Callable) 3.12% Sep 19, 2019	68,000	68,917	68,162	Government of Canada 2.00% Jun 01, 2028	812,000	784,981	814,550	
Bank of Montreal 2.89% Jun 20, 2023	344,000	342,366	343,811	Government of Canada 2.25% Jun 01, 2029	949,000	948,493	973,062	
Bank of Montreal 3.19% Mar 01, 2028	288,000	285,713	288,420	Government of Canada 5.75% Jun 01, 2033	435,000	612,510	633,515	
Bank of Nova Scotia, The 2.29% Jun 28, 2024 ¹	322,000	321,053	310,700			2,345,984	2,421,127	
Bank of Nova Scotia, The 2.98% Apr 17, 2023 ¹	503,000	502,537	504,044	Mortgage-Backed Securities – 0.2%				
bctMC Realty Corporation (Callable) 3.00% Dec 31, 2026	162,000	164,937	160,140	Merrill Lynch Financial Asset Inc. (Floating Rate) 5.24% Oct 12, 2039	301,000	312,213	315,034	
Bell Canada (Callable) 4.70% Jun 11, 2023	145,000	155,222	152,740			22,601,237	22,478,493	
Bell Canada Inc. (Callable) 3.80% May 21, 2028	239,000	238,725	236,715	TOTAL BONDS AND DEBENTURES				
BP Capital Markets PLC 3.47% May 15, 2025	234,000	233,588	234,461	EQUITIES – 40.3%				
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	386,000	415,749	401,187	Communication Services – 4.9%				
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	122,000	129,974	128,636	BCE Inc.	56,700	2,919,458	3,057,831	
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	385,000	380,226	376,436	Comcast Corporation, Class A	62,900	2,246,353	2,921,571	
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022	365,000	369,871	365,099	Rogers Communications, Inc., Class B	29,500	1,454,935	2,063,820	
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	339,000	340,422	325,325	TELUS Corporation	26,277	1,234,487	1,189,034	
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	152,000	160,190	157,754			7,855,233	9,232,256	
Bruce Power LP 3.97% Jun 23, 2026	161,000	165,635	163,913	Consumer Discretionary – 2.6%				
Choice Properties Real Estate Investment Trust (Callable) 3.56% Jul 09, 2024	140,000	140,000	137,926	Comcast Corporation, Class A, Written Put Options \$34.00 Feb 01, 2019	(120)	(12,761)	(21,689)	
CI Financial Corporation 3.90% Sep 27, 2027	115,000	115,000	112,814	Home Depot Inc., The	10,200	1,898,709	2,390,686	
Enbridge Inc. (Callable) 3.94% Mar 30, 2023	200,000	205,877	204,630	McDonald's Corporation	5,800	1,234,785	1,404,903	
Enbridge Inc. (Callable) 5.38% Sep 27, 2027	255,000	255,000	235,596	TIJ Companies, Inc., The	18,200	959,320	1,110,749	
Enbridge Inc. (Floating Rate) 6.63% Apr 12, 2028	248,000	254,653	249,283			4,080,053	4,884,649	
Enbridge Inc. 3.94% Jan 13, 2023	355,000	363,360	362,931	Consumer Staples – 2.6%				
Enbridge Pipelines Inc. 8.20% Feb 15, 2024	159,000	213,046	194,586	Coca-Cola Company, The	18,900	1,085,135	1,220,760	
Enbridge Southern Lights LP 4.01% Jun 30, 2040	122,968	122,968	120,921	Costco Wholesale Corporation	6,800	1,605,111	1,889,600	
First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	139,000	139,000	134,240	Costco Wholesale Corporation, Written Put Options \$192.50 Jan 25, 2019	(41)	(16,407)	(11,689)	
First Capital Realty Inc. 4.32% Jul 31, 2025	293,000	301,967	298,082	Loblaws Companies Limited	30,000	1,656,595	1,833,300	
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023	145,000	143,708	140,821			4,330,434	4,931,971	
Heathrow Funding Ltd. 3.25% May 21, 2025	668,000	671,222	665,803	Energy – 3.9%				
Hydro One Ltd. 4.00% Sep 30, 2027	3,132,000	1,065,827	999,109	Canadian Natural Resources Ltd.	43,900	1,917,492	1,446,066	
Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	336,000	345,444	344,673	Enbridge Inc.	44,300	2,020,687	1,878,763	
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	USD	12,000	15,223	Marathon Petroleum Corporation, Written Put Options \$62.00 Jan 11, 2019	(57)	(18,444)	(27,020)	
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	77,000	83,462	81,338	Pembina Pipeline Corporation	26,000	913,499	1,053,260	
Lower Mattagami Energy LP 2.31% Oct 21, 2026	279,000	262,112	263,881	Suncor Energy, Inc.	42,168	1,973,709	1,607,866	
Lower Mattagami Energy LP 3.42% Jun 20, 2024	200,000	216,778	205,420	TransCanada Corporation	27,951	1,409,571	1,362,611	
McDonald's Corporation 3.13% Mar 04, 2025	213,000	215,561	209,702			8,216,514	7,321,546	
Morgan Stanley 3.13% Aug 05, 2021	153,000	153,961	153,223	Financials – 8.7%				
National Hockey League Inc. 3.61% Aug 10, 2027	USD	500,000	633,000	Atrium Mortgage Investment Corporation	51,200	562,224	644,608	
OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024	419,000	417,694	417,991	Bank of Nova Scotia, The ¹	27,300	1,937,345	1,857,765	
OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027	49,000	49,294	49,250	Blackstone Group LP, Written Put Options \$33.00 Jan 18, 2019	(115)	(64,157)	(52,552)	
OMERS Realty Corporation (Callable) 3.63% Mar 05, 2030	317,000	321,289	324,529					
Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	194,000	190,249	188,682					
Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024	139,000	138,322	137,504					
Royal Bank of Canada 2.36% Dec 05, 2022	210,000	206,449	206,121					

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

Scotia Income Advantage Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares/ Average Carrying			Issuer	Number of Shares/ Average Carrying		
	Contracts	Cost (\$)	Value (\$)		Face Value (\$)	Cost (\$)	Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Financials (cont'd)				Real Estate (cont'd)			
Blackstone Group LP, Written Put Options \$35.00 Jan 18, 2019	(111)	(89,886)	(79,493)	Equity Residential Real Estate Investment Trust	6,800	537,379	612,304
Blackstone Tactical Opportunities Fund II LP*	1,024,411	1,342,742	1,910,534	Kilham Apartment Real Estate Investment Trust	123,153	1,607,371	1,963,059
Brookfield Asset Management Inc., Class A	35,900	1,441,394	1,878,288	Smart Real Estate Investment Trust	37,475	894,469	1,155,354
Canadian Imperial Bank of Commerce	17,000	1,805,451	1,728,560	Starwood Global Opportunity Fund XI, LP, Restricted*	540	70,692	130,566
Shares Trust, Call Options \$160.00 Jan 18, 2019	500	99,701	341			4,852,552	5,956,950
JPMorgan Chase & Co.	13,700	1,439,000	1,824,349	Utilities – 3.9%			
Royal Bank of Canada	21,900	1,845,459	2,046,336	Fortis Inc.	60,913	2,242,382	2,772,151
Starwood Property Trust Inc.	69,200	2,089,048	1,860,550	Hydro One Limited	47,700	1,004,929	965,925
Sun Life Financial Inc.	19,700	943,835	892,213	Innervex Renewable Energy Inc.	171,100	1,570,391	2,145,594
Toronto-Dominion Bank, The	26,500	1,694,401	1,798,290	NextEra Energy, Inc.	5,900	859,487	1,398,944
		15,046,557	16,309,789			5,677,189	7,282,614
Health Care – 5.5%				TOTAL EQUITIES		67,782,707	75,577,067
Johnson & Johnson	16,000	2,601,281	2,816,609	MONEY MARKET INSTRUMENTS – 9.7%			
Medtronic PLC	20,300	1,926,947	2,518,808	Bankers' Acceptances – 3.5%			
Pfizer Inc.	42,300	1,899,113	2,518,681	Bank of Nova Scotia, The 0.00% Feb 22, 2019 [†]	1,641,000	1,632,614	1,636,044
UnitedHealth Group Incorporated	7,100	2,072,487	2,412,768	Canadian Imperial Bank of Commerce 0.00% Jan 29, 2019	1,640,000	1,631,685	1,637,384
		8,499,828	10,266,866	Royal Bank of Canada 0.00% Jan 31, 2019	1,640,000	1,631,538	1,637,211
Industrials – 2.1%				Toronto-Dominion Bank, The 2.12% Feb 25, 2019	1,640,000	1,631,490	1,634,799
Canadian National Railway Company	8,500	824,348	859,435			6,527,327	6,545,438
Canadian Pacific Railway Limited	7,400	1,514,921	1,792,576	Treasury Bills – 6.2%			
Honeywell International Inc.	7,400	1,231,108	1,333,672	United States Treasury Bills 0.00% Feb 07, 2019	USD 2,937,000	3,867,291	3,996,955
		3,570,377	3,985,683	United States Treasury Bills 0.00% Jan 10, 2019	USD 19,000	24,523	25,904
Information Technology – 1.5%				United States Treasury Bills 0.00% Jan 10, 2019 (pledged as collateral)	USD 2,700,000	3,484,844	3,681,115
MasterCard Inc., Written Put Options \$182.50 Jan 25, 2019	(40)	(17,718)	(22,917)	United States Treasury Bills 0.00% May 09, 2019	USD 2,957,000	3,867,999	3,998,600
Microsoft Corporation	13,800	1,558,872	1,912,023			11,244,657	11,702,574
Texas Instruments Incorporated	7,500	980,029	966,811	TOTAL MONEY MARKET INSTRUMENTS		17,771,984	18,248,012
Visa Inc., Class A, Written Put Options \$130.00 Jan 25, 2019	(56)	(16,974)	(26,737)	Transaction Costs		(34,997)	
		2,504,209	2,829,180	TOTAL INVESTMENT PORTFOLIO		153,292,053	160,586,799
Materials – 1.4%				Unrealized Gain (Loss) on Derivatives – (0.9%)			(1,689,753)
DowDuPont Inc.	35,300	3,103,638	2,575,222	OTHER ASSETS, LESS LIABILITIES – 15.3%			28,369,696
Options on Index Based Exchange-Traded Funds – 0.0%				NET ASSETS – 100.0%			187,266,742
SPDR S&P 500 ETF, Call Options \$292.00 Jan 18, 2019	500	51,065	682				
SPDR S&P 500 ETF, Written Call Options \$307.00 Jan 18, 2019	(500)	(4,942)	(341)				
		46,123	341				
Real Estate – 3.2%							
American Tower Corporation	5,700	787,148	1,229,993				
Equinix Inc.	1,800	955,493	865,674				

* 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.

[†] Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Bank of Nova Scotia, The	A-1	Jan. 17, 2019	US Dollar	3,500,000	Canadian Dollar	4,728,203	1.351	1.364	45,697
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	US Dollar	3,419,910	Canadian Dollar	4,612,224	1.349	1.364	52,436
Bank of Nova Scotia, The	A-1	Jan. 17, 2019	US Dollar	1,437,821	Canadian Dollar	1,959,304	1.363	1.364	1,841
									99,974

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	Canadian Dollar	18,226,744	US Dollar	14,018,200	0.769	0.733	(893,764)
Bank of Nova Scotia, The	A-1	Jan. 17, 2019	Canadian Dollar	18,226,464	US Dollar	14,018,200	0.769	0.733	(894,044)
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	Canadian Dollar	985,941	European Euro	660,000	0.669	0.639	(47,279)
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	Canadian Dollar	147,415	US Dollar	110,000	0.746	0.733	(2,622)
Canadian Imperial Bank of Commerce	A-1	Jan. 17, 2019	Canadian Dollar	148,757	US Dollar	110,959	0.746	0.733	(2,588)
									(1,840,297)

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

Scotia Income Advantage Fund (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Gain (\$)
Blackstone Group LP, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
25,300	5/17/2019	728,640	3.07%	33,841
23,000	6/28/2019	(662,400)	3.07%	30,765
5,200	9/23/2019	(149,760)	3.07%	6,955
700	9/23/2019	(20,160)	3.07%	936
3,697	9/25/2019	(106,474)	3.07%	4,945
6,903	9/26/2019	(198,806)	3.07%	9,233
				<u>86,675</u>

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
6,800	4/24/2019	170,340	3.07%	(4,505)
18,600	4/25/2019	465,930	3.07%	(12,322)
3,838	8/23/2019	96,142	3.07%	(2,543)
17,800	4/11/2019	445,890	3.07%	(11,792)
62	6/27/2019	1,553	3.07%	(41)
7,400	11/7/2019	185,370	3.07%	(4,902)
				<u>(36,105)</u>

The swap contracts outstanding at Dec 31, 2018 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 investment 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 may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	18,586,213	–
1-3 years	1,189,664	4,632,695
3-5 years	5,638,674	13,072,371
5-10 years	12,460,014	15,709,531
> 10 years	2,851,940	386,337
	40,726,505	33,800,934

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$312,274 or approximately 0.2% (December 31, 2017 – \$385,707 or approximately 0.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	75,043,984	(27,241,527)	47,802,457	25.5
European Euro	1,095,010	(1,033,220)	61,790	0.0
British Pound	25,782	–	25,782	0.0
Swedish Krona	16,027	–	16,027	0.0
	76,180,803	(28,274,747)	47,906,056	25.5

December 31, 2017

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$4,790,606 or approximately 2.6% of net assets (December 31, 2017 – \$6,524,510 or approximately 3.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 64.0% (December 31, 2017 – 73.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$11,991,086 (December 31, 2017 – \$15,910,243). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total bonds and debentures (%)	Percentage of net assets (%)	Percentage of total bonds and debentures (%)	Percentage of net assets (%)
AAA/A-1+	42.8	9.3	1.2	0.2
AA/A-1	19.8	4.3	15.6	2.4
A/A-2	14.7	3.2	38.6	6.0
BBB	18.5	4.0	38.2	5.9
BB	0.6	0.1	0.7	0.1
NOT RATED	3.6	0.8	5.7	0.9
Total	100.0	21.7	100.0	15.5

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. 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, 2018	December 31, 2017
Bankers' Acceptances	3.5	–
Communication Services	4.9	–
Consumer Discretionary	2.6	3.2
Consumer Staples	2.6	4.6
Corporate Bonds	10.5	15.4
Energy	3.9	6.6
Federal Bonds	1.3	–
Financials	8.7	14.6
Fixed Income Funds	22.4	10.0
Foreign Equity Funds	1.2	1.0
Health Care	5.5	4.0
Industrials	2.1	5.0
Information Technology	1.5	9.1
Materials	1.4	4.0
Mortgage-Backed Securities	0.2	0.1
Real Estate	3.2	3.0
Telecommunication Services	–	3.3
Treasury Bills	6.2	–
Utilities	3.9	4.5

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	73,777,382	–	–	73,777,382
Bonds and debentures	–	21,442,052	1,036,440	22,478,493
Underlying funds	44,002,035	–	2,322,292	46,324,327
Money market instruments	–	18,248,012	–	18,248,012
Warrants, rights and options	1,023	–	–	1,023
Unrealized gain on currency forward contracts	–	99,974	–	99,974
Unrealized gain on swap contracts	–	86,675	–	86,675
	117,780,440	39,876,713	3,358,732	161,015,886
Liability for written options	(242,438)	–	–	(242,438)
Unrealized loss on currency forward contracts	–	(1,840,297)	–	(1,840,297)
Unrealized loss on swap contracts	–	(36,105)	–	(36,105)
	117,538,002	38,000,311	3,358,733	158,897,046

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

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	2,747,615	1,216,466
Purchases	1,057,058	1,728,055
Sales/Return of Capital	(292,688)	(298,085)
Transfer into Level 3	–	–
Transfers out of Level 3	(484,250)	–
Net realized gains (losses)	(2,460)	(7,147)
Net change in unrealized gain (loss)*	333,457	108,326
End of period	3,358,732	2,747,615

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was \$330,997 and \$101,178, respectively.

During the period ended December 31, 2018, investments of approximately \$484,250 (December 31, 2017 – nil) were transferred from Level 3 to 2 as the fair value of these securities are now determined using valuation models that required the use of market prices obtained through independent brokers or valuation services.

Level 3 valuation techniques

Below is a summary of 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 table also illustrates 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 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 below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2018 (\$)	Change in Valuation (\$)
Debt	Fair value based on transaction price	Transaction price	1,036,440	n/a
Underlying funds	Fundamental model analysis based on financial data	Company NAV	2,322,292	n/a
			3,358,732	

Scotia Income Advantage Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	99,974	(99,974)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	86,675	(36,105)	–	50,570
	186,649	(136,079)	–	50,570

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,840,297	(99,974)	–	1,740,323
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	36,105	(36,105)	(830,000)	–
	1,876,402	(136,079)	(830,000)	1,740,323

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

Financial liabilities – by type	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,058	(1,058)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,058	(1,058)	–	–

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	25,052,199	2.0
Dynamic High Yield Bond Fund Series O	5,156,250	1.3
Dynamic Credit Spectrum Fund Series O	5,193,585	1.1
Scotia Money Market Fund Series I	6,579,958	0.6
Scotia Private Options Income Pool Series I	2,020,043	0.3
GSO Capital Solutions Fund III LP	281,192	0.1
Blackstone Tactical Opportunities Fund II LP	1,910,534	0.1
Starwood Global Opportunity Fund XI, LP, Restricted	130,566	0.0
	46,324,327	

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

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

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

Scotia Canadian Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,988,369,552	2,204,833,930
Derivatives	173,944	2,735,026
Cash	28,897,255	22,917,162
Subscriptions receivable	1,301,556	1,445,256
Accrued investment income and other	3,248,770	2,916,971
	<u>2,021,991,077</u>	<u>2,234,848,345</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	5,078,083	8,171
Redemptions payable	1,817,412	1,524,379
Distributions payable	986	528
	<u>6,896,481</u>	<u>1,533,078</u>
Net assets attributable to holders of redeemable units	<u>2,015,094,596</u>	<u>2,233,315,267</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,011,944,748	2,231,879,515
Series D	713,737	651,846
Series F	2,436,111	783,906
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	23.87	25.25
Series D	10.14	10.73
Series F	23.46	24.83

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	32,683,591	32,267,951
Interest for distribution purposes	32,425,806	30,550,810
Net realized gain (loss) on non-derivative financial assets	73,640,869	47,328,150
Change in unrealized gain (loss) on non-derivative financial assets	(150,234,394)	89,241,418
Net realized gain (loss) on derivatives	(5,370,559)	7,043,608
Change in unrealized gain (loss) on derivatives	(7,630,994)	2,641,357
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(24,485,681)	209,073,294
Securities lending (note 11)	50,594	28,319
Net realized and unrealized foreign currency translation gain (loss)	542,169	(452,595)
Other income	23,671	21,526
Total income (loss), net	<u>(23,869,247)</u>	<u>208,670,544</u>
EXPENSES		
Management fees (note 5)	35,470,806	36,093,275
Fixed administration fees (note 6)	1,935,639	1,966,149
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	5,113	59
Foreign withholding taxes/tax reclaims	670,225	874,476
Harmonized Sales Tax/Goods and Services Tax	4,181,918	4,251,213
Transaction costs	498,886	319,382
Total expenses	<u>42,763,836</u>	<u>43,505,689</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(66,633,083)</u>	<u>165,164,855</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(66,564,390)	165,093,292
Series D	(15,699)	13,827
Series F	(52,994)	57,736
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.78)	1.84
Series D	(0.23)	0.85
Series F	(0.99)	2.03
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	85,754,685	89,963,283
Series D	67,523	16,216
Series F	53,750	28,430

[†] 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.

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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,231,879,515	2,175,625,872
Series D	651,846	34,222
Series F	783,906	539,432
	<u>2,233,315,267</u>	<u>2,176,199,526</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(66,564,390)	165,093,292
Series D	(15,699)	13,827
Series F	(52,994)	57,736
	<u>(66,633,083)</u>	<u>165,164,855</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(20,396,331)	(17,106,154)
Series D	(13,320)	(5,145)
Series F	(33,055)	(15,042)
From net realized gains on investments		
Series A	(28,142,834)	(8,028,964)
Series D	(9,845)	(2,317)
Series F	(33,121)	(2,876)
	<u>(48,628,506)</u>	<u>(25,160,498)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	161,623,854	167,196,459
Series D	162,888	614,181
Series F	2,266,316	749,261
Reinvested distributions		
Series A	48,445,728	25,085,071
Series D	23,035	7,410
Series F	50,943	15,605
Payments on redemption		
Series A	(314,900,794)	(275,986,061)
Series D	(85,168)	(10,332)
Series F	(545,884)	(560,210)
	<u>(102,959,082)</u>	<u>(82,888,616)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(219,934,767)	56,253,643
Series D	61,891	617,624
Series F	1,652,205	244,474
	<u>(218,220,671)</u>	<u>57,115,741</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,011,944,748	2,231,879,515
Series D	713,737	651,846
Series F	2,436,111	783,906
	<u>2,015,094,596</u>	<u>2,233,315,267</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(66,633,083)	165,164,855
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(73,640,869)	(47,328,150)
Change in unrealized (gain) loss on non-derivative financial assets	150,234,394	(89,241,418)
Change in unrealized (gain) loss on derivatives	7,630,994	(2,641,357)
Unrealized foreign currency translation (gain) loss	118,575	(132,928)
Other non-cash transactions	(32,021,378)	(30,386,962)
Purchases of non-derivative financial assets and liabilities	(265,270,514)	(187,696,911)
Proceeds from sale of non-derivative financial assets and liabilities	437,162,744	298,773,753
Accrued investment income and other	(331,799)	(183,245)
Accrued expenses and other payables	-	(121,610)
Net cash provided by (used in) operating activities	<u>157,249,064</u>	<u>106,206,027</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	162,321,551	168,963,461
Amounts paid on redemption of redeemable units	(313,363,605)	(276,585,748)
Distributions to unitholders of redeemable units	(108,342)	(51,895)
Net cash provided by (used in) financing activities	<u>(151,150,396)</u>	<u>(107,674,182)</u>
Unrealized foreign currency translation gain (loss)	(118,575)	132,928
Net increase (decrease) in cash	6,098,668	(1,468,155)
Cash (bank overdraft), beginning of period	22,917,162	24,252,389
CASH (BANK OVERDRAFT), END OF PERIOD	<u>28,897,255</u>	<u>22,917,162</u>
Interest paid ⁽¹⁾	5,113	59
Interest received, net of withholding taxes ⁽¹⁾	404,428	252,757
Dividends received, net of withholding taxes ⁽¹⁾	31,681,568	31,121,321

⁽¹⁾ Classified as operating items.

Scotia Canadian Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units/ Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 44.6%				EQUITIES (cont'd)			
Scotia Canadian Income Fund Series I [†]	67,728,621	920,708,885	899,700,225	Health Care – 3.5%			
EQUITIES – 54.1%				Anthem, Inc.	57,600	17,232,362	20,635,521
Communication Services – 6.8%				Johnson & Johnson	158,300	22,483,915	27,866,829
Alphabet Inc., Class C	19,784	9,475,160	27,948,530	Thermo Fisher Scientific, Inc.	71,500	18,326,188	21,827,065
BCE Inc.	819,300	46,392,892	44,184,849			58,042,465	70,329,415
Comcast Corporation, Class A	444,000	22,076,512	20,622,852	Industrials – 4.7%			
Shaw Communications, Inc., Class B	1,798,000	47,520,335	44,428,580	Canadian National Railway Company	311,900	14,509,539	31,536,209
		125,464,899	137,184,811	Canadian Pacific Railway Limited	77,400	14,633,017	18,749,376
Consumer Discretionary – 2.9%				United Parcel Service, Inc., Class B	93,400	12,774,449	12,426,068
Dollarama Inc.	216,200	4,710,537	7,020,014	Waste Connections Inc.	312,550	18,986,764	31,670,692
NIKE, Inc., Class B	140,000	10,133,523	14,158,891			60,903,769	94,382,345
Restaurant Brands International Inc.	514,200	24,334,242	36,672,744	Information Technology – 4.8%			
		39,178,302	57,851,649	CGI Group Inc., Class A	406,500	22,778,003	33,942,750
Consumer Staples – 5.1%				Microsoft Corporation	225,700	7,848,619	31,271,279
Alimentation Couche-Tard Inc., Class B	585,700	35,143,280	39,774,887	Visa Inc., Class A	175,800	16,825,945	31,640,547
Costco Wholesale Corporation	68,400	14,166,295	19,007,153			47,452,567	96,854,576
George Weston Limited	56,565	4,047,986	5,093,678	Materials – 4.7%			
Loblaw Companies Limited	419,000	16,293,652	25,605,090	Air Products and Chemicals, Inc.	106,300	22,866,352	23,207,992
Saputo Inc.	323,000	12,736,019	12,658,370	Barrick Gold Corporation	560,200	8,147,526	10,324,486
		82,387,232	102,139,178	CCL Industries Inc., Class B	170,000	9,043,902	8,510,200
Energy – 5.1%				Franco-Nevada Corporation	415,800	30,480,812	39,804,534
Canadian Natural Resources Ltd.	755,300	26,424,887	24,879,582	Nutrien Ltd.	206,065	11,619,008	13,212,888
Enerflex Ltd.	225,000	3,827,028	3,595,500			82,157,600	95,060,100
PrairieSky Royalty Ltd.	2,152,616	55,755,402	38,036,725	Real Estate – 0.6%			
Suncor Energy, Inc.	475,900	19,233,340	18,146,067	Brookfield Property Partners LP	505,300	12,500,123	11,126,706
TransCanada Corporation	375,000	20,191,407	18,281,250			897,112,819	1,088,669,327
		125,432,064	102,939,124	TOTAL EQUITIES			
Financials – 15.9%				Transaction Costs		(639,561)	
Bank of Nova Scotia, The [†]	567,100	30,498,158	38,591,155	TOTAL INVESTMENT PORTFOLIO		1,817,182,143	1,988,369,552
Brookfield Asset Management Inc., Class A	450,300	19,318,692	23,559,696	Unrealized Gain (Loss) on Derivatives – (0.2%)			(4,904,139)
Canadian Imperial Bank of Commerce	460,300	42,453,739	46,803,303	OTHER ASSETS, LESS LIABILITIES – 1.5%			31,629,183
Intact Financial Corporation	370,200	33,218,305	36,720,138	NET ASSETS – 100.0%			2,015,094,596
JPMorgan Chase & Co.	151,400	14,851,154	20,161,057				
Manulife Financial Corporation	1,475,300	32,652,415	28,576,561				
Power Corporation of Canada	994,100	29,581,998	24,385,273				
Royal Bank of Canada	579,800	33,287,748	54,176,512				
Toronto-Dominion Bank, The	704,800	27,731,589	47,827,728				
		263,593,798	320,801,423				

[†] Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	2,600,000	Canadian Dollar	3,477,230	1.337	1.364	69,125
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	1,000,000	Canadian Dollar	1,338,505	1.339	1.364	25,477
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	600,000	Canadian Dollar	806,133	1.344	1.364	12,256
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	2,000,000	Canadian Dollar	2,693,100	1.347	1.364	34,863
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	3,000,000	Canadian Dollar	4,059,720	1.353	1.364	32,223
									173,944

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

Scotia Canadian Balanced Fund (Continued)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	8,467,550	US Dollar	6,500,000	0.768	0.733	(398,303)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	32,397,515	US Dollar	24,900,000	0.769	0.733	(1,565,522)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	6,508,050	US Dollar	5,000,000	0.768	0.733	(311,837)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	2,124,683	US Dollar	1,600,000	0.753	0.733	(57,681)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	533,604	US Dollar	400,000	0.75	0.733	(11,987)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	1,336,177	US Dollar	1,000,000	0.748	0.733	(27,800)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	17,837,148	US Dollar	13,600,000	0.762	0.734	(703,334)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	3,804,217	US Dollar	2,900,000	0.762	0.734	(149,268)
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	Canadian Dollar	6,033,291	US Dollar	4,600,000	0.762	0.734	(237,754)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	13,401,780	US Dollar	10,200,000	0.761	0.734	(503,582)
State Street Bank & Trust Company	A-1+	Feb. 20, 2019	Canadian Dollar	262,886	US Dollar	200,000	0.761	0.734	(9,768)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	8,163,691	US Dollar	6,100,000	0.747	0.734	(148,295)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	5,082,618	US Dollar	3,800,000	0.748	0.734	(95,340)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	37,714,257	US Dollar	28,200,000	0.748	0.734	(711,644)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	6,690,150	US Dollar	5,000,000	0.747	0.734	(122,953)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	1,203,343	US Dollar	900,000	0.748	0.734	(23,015)
									<u>(5,078,083)</u>

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 investment 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 may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	279,525,304	(144,263,198)	135,262,106	6.7
	279,525,304	(144,263,198)	135,262,106	6.7

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$13,526,211 or approximately 0.7% of net assets (December 31, 2017 – \$17,908,496 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at

December 31, 2018, approximately 98.7% (December 31, 2017 – 98.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$198,836,955 (December 31, 2017 – \$220,483,393). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	6.8	–
Consumer Discretionary	2.9	10.3
Consumer Staples	5.1	4.6
Energy	5.1	6.3
Financials	15.9	17.7
Fixed Income Funds	44.6	38.7
Health Care	3.5	1.9
Industrials	4.7	6.1
Information Technology	4.8	5.8
Materials	4.7	3.8
Real Estate	0.6	–
Telecommunication Services	–	3.5

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	1,088,669,327	–	–	1,088,669,327
Underlying funds	899,700,225	–	–	899,700,225
Unrealized gain on currency forward contracts	–	173,944	–	173,944
	1,988,369,552	173,944	–	1,988,543,496
Unrealized loss on currency forward contracts	–	(5,078,083)	–	(5,078,083)
	1,988,369,552	(4,904,139)	–	1,983,465,413

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

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	173,944	(173,944)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	173,944	(173,944)	–	–

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	5,078,083	(173,944)	–	4,904,139
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	5,078,083	(173,944)	–	4,904,139

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

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	899,700,225	14.3
	899,700,225	

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

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

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

Scotia Dividend Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	214,474,054	280,467,176
Derivatives	18,290	245,767
Cash	3,929,978	10,807,761
Subscriptions receivable	187,994	208,126
Accrued investment income and other	500,619	573,328
	<u>219,110,935</u>	<u>292,302,158</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	425,828	–
Redemptions payable	241,438	287,656
Distributions payable	–	82
	<u>667,266</u>	<u>287,738</u>
Net assets attributable to holders of redeemable units	<u>218,443,669</u>	<u>292,014,420</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	218,313,566	291,778,736
Series D	<u>130,103</u>	<u>235,684</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.16	12.10
Series D	<u>9.26</u>	<u>10.04</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	5,030,867	6,352,859
Interest for distribution purposes	3,182,450	2,178,948
Net realized gain (loss) on non-derivative financial assets	1,240,474	(17,196,873)
Change in unrealized gain (loss) on non-derivative financial assets	(20,592,182)	16,710,924
Net realized gain (loss) on derivatives	(534,406)	9,872
Change in unrealized gain (loss) on derivatives	<u>(653,305)</u>	<u>306,809</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(12,326,102)	8,362,539
Securities lending (note 11)	7,306	57,297
Net realized and unrealized foreign currency translation gain (loss)	161,988	(450,789)
Other income	4,938	2,728
Total income (loss), net	<u>(12,151,870)</u>	<u>7,971,775</u>
EXPENSES		
Management fees (note 5)	4,136,735	5,006,900
Fixed administration fees (note 6)	200,622	242,801
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	277	1,430
Foreign withholding taxes/tax reclaims	68,391	32,468
Harmonized Sales Tax/Goods and Services Tax	464,979	560,164
Transaction costs	<u>93,067</u>	<u>450,560</u>
Total expenses	4,965,320	6,295,458
Expenses absorbed by the Manager	(52,030)	–
Net expenses	<u>4,913,290</u>	<u>6,295,458</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(17,065,160)</u>	<u>1,676,317</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(17,054,737)	1,673,539
Series D	<u>(10,423)</u>	<u>2,778</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.80)	0.07
Series D	<u>(0.70)</u>	<u>0.24</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	21,320,594	25,506,368
Series D	<u>14,974</u>	<u>11,664</u>

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

Scotia 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	291,778,736	317,229,532
Series D	235,684	135,264
	<u>292,014,420</u>	<u>317,364,796</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(17,054,737)	1,673,539
Series D	(10,423)	2,778
	<u>(17,065,160)</u>	<u>1,676,317</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,111,156)	(1,693,952)
Series D	(3,032)	(1,605)
	<u>(3,114,188)</u>	<u>(1,695,557)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	21,427,054	35,248,384
Series D	57,915	249,909
Reinvested distributions		
Series A	3,080,887	1,678,219
Series D	3,032	1,605
Payments on redemption		
Series A	(77,807,218)	(62,356,986)
Series D	(153,073)	(152,267)
	<u>(53,391,403)</u>	<u>(25,331,136)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(73,465,170)	(25,450,796)
Series D	(105,581)	100,420
	<u>(73,570,751)</u>	<u>(25,350,376)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	218,313,566	291,778,736
Series D	130,103	235,684
	<u>218,443,669</u>	<u>292,014,420</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(17,065,160)	1,676,317
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,240,474)	17,196,873
Change in unrealized (gain) loss on non-derivative financial assets	20,592,182	(16,710,924)
Change in unrealized (gain) loss on derivatives	653,305	(306,809)
Unrealized foreign currency translation (gain) loss	201	(8,647)
Other non-cash transactions	(2,803,653)	(2,062,616)
Purchases of non-derivative financial assets and liabilities	(48,953,201)	(274,822,280)
Proceeds from sale of non-derivative financial assets and liabilities	98,398,267	301,035,177
Accrued investment income and other	72,709	(52,185)
Accrued expenses and other payables	-	(16,607)
Net cash provided by (used in) operating activities	<u>49,654,176</u>	<u>25,928,299</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	21,505,101	35,778,632
Amounts paid on redemption of redeemable units	(78,006,509)	(62,751,767)
Distributions to unitholders of redeemable units	(30,350)	(15,659)
Net cash provided by (used in) financing activities	<u>(56,531,758)</u>	<u>(26,988,794)</u>
Unrealized foreign currency translation gain (loss)	(201)	8,647
Net increase (decrease) in cash	(6,877,582)	(1,060,495)
Cash (bank overdraft), beginning of period	10,807,761	11,859,609
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,929,978</u>	<u>10,807,761</u>
Interest paid ⁽¹⁾	277	1,430
Interest received, net of withholding taxes ⁽¹⁾	390,156	128,814
Dividends received, net of withholding taxes ⁽¹⁾	5,023,823	6,255,724

⁽¹⁾ Classified as operating items.

Scotia Dividend Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units/ Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
FIXED INCOME FUNDS – 34.3%				EQUITIES (cont'd)			
Scotia Canadian Income Fund Series I [†]	4,558,375	61,045,187	60,552,999	Health Care – 1.0%			
Scotia Private Canadian Corporate Bond Pool Series I [†]	1,370,848	14,561,067	14,407,888	Novartis AG	19,496	1,925,304	2,277,991
		<u>75,606,254</u>	<u>74,960,887</u>	Industrials – 8.0%			
EQUITIES – 63.9%				Ag Growth International Inc.	47,200	2,896,668	2,208,960
Communication Services – 6.9%				Canadian National Railway Company	26,700	2,522,563	2,699,637
Activision Blizzard Inc.	26,600	2,295,473	1,689,805	Canadian Pacific Railway Limited	9,413	1,860,182	2,280,205
BCE Inc.	92,200	5,438,845	4,972,346	Morneau Shepell, Inc.	149,746	2,508,262	3,749,640
Rogers Communications, Inc., Class B	48,316	2,327,790	3,380,187	Parker-Hannifin Corporation	10,900	2,285,940	2,217,529
Shaw Communications, Inc., Class B	203,500	5,549,209	5,028,485	Toromont Industries Ltd.	35,900	2,034,595	1,947,934
		<u>15,611,317</u>	<u>15,070,823</u>	United Parcel Service, Inc., Class B	17,700	2,623,305	2,354,833
Consumer Discretionary – 1.6%						<u>16,731,515</u>	<u>17,458,738</u>
Uni-Select Inc.	178,400	5,471,723	3,462,744	Information Technology – 2.0%			
Consumer Staples – 5.6%				Accenture PLC, Class A	8,000	1,557,646	1,538,823
Alimentation Couche-Tard Inc., Class B	45,300	2,680,946	3,076,323	Microsoft Corporation	19,800	2,133,574	2,743,338
George Weston Limited	9,787	1,003,569	881,319			<u>3,691,220</u>	<u>4,282,161</u>
Loblaw Companies Limited	67,900	3,783,193	4,149,369	Materials – 5.3%			
Unilever NV – ADR	55,658	4,011,229	4,084,684	Agnico-Eagle Mines Limited	71,700	3,577,292	3,950,670
		<u>11,478,937</u>	<u>12,191,695</u>	Barrick Gold Corporation	225,800	3,332,169	4,161,494
Energy – 6.5%				Chemtrade Logistics Income Fund	226,860	3,875,225	2,377,493
ARC Resources Ltd.	192,400	2,832,541	1,558,440	Teck Resources Ltd., Class B	38,500	1,072,518	1,131,515
Canadian Natural Resources Ltd.	72,900	2,687,790	2,401,326			<u>11,857,204</u>	<u>11,621,172</u>
Enbridge Inc.	89,300	4,261,766	3,787,213	Real Estate – 2.5%			
EnCana Corporation	123,100	2,040,872	970,028	Brookfield Property Partners LP	132,600	3,420,489	2,919,852
Enerflex Ltd.	110,500	1,639,717	1,765,790	Granite Real Estate Investment Trust	47,014	2,356,101	2,501,615
PrairieSky Royalty Ltd.	128,500	4,116,822	2,270,595			<u>5,776,590</u>	<u>5,421,467</u>
TransCanada Corporation	27,901	1,484,056	1,360,174	Utilities – 1.5%			
		<u>19,063,564</u>	<u>14,113,566</u>	Northland Power Inc.	152,200	3,579,683	3,302,740
Financials – 23.0%				TOTAL EQUITIES		<u>146,689,821</u>	<u>139,513,167</u>
Bank of America Corporation	57,000	1,967,136	1,915,862	Transaction Costs		<u>(117,971)</u>	
Bank of Nova Scotia, The [†]	90,900	6,408,178	6,185,745	TOTAL INVESTMENT PORTFOLIO		<u>222,178,104</u>	<u>214,474,054</u>
Brookfield Asset Management Inc., Class A	58,300	2,935,651	3,050,256	Unrealized Gain (Loss) on Derivatives – (0.2%)			<u>(407,538)</u>
Canadian Imperial Bank of Commerce	45,497	4,860,090	4,626,135	OTHER ASSETS, LESS LIABILITIES – 2.0%			<u>4,377,153</u>
Fairfax Financial Holdings Limited	7,700	5,343,640	4,627,546	NET ASSETS – 100.0%			<u>218,443,669</u>
Industrial Alliance Insurance and Financial Services Inc.	70,000	3,724,645	3,049,900				
Manulife Financial Corporation	166,900	3,607,400	3,232,853				
Power Financial Corporation	128,900	4,480,356	3,329,487				
Royal Bank of Canada	75,100	6,444,468	7,017,344				
Thomson Reuters Corporation	61,162	3,329,851	4,032,411				
Toronto-Dominion Bank, The	136,200	8,401,349	9,242,531				
		<u>51,502,764</u>	<u>50,310,070</u>				

[†] Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	100,000	Canadian Dollar	133,740	1.337	1.364	2,659
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	266,802	1.334	1.364	5,995
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	269,310	1.347	1.364	3,486
Bank of Montreal	A-1	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	271,643	1.358	1.364	1,154
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Swiss Franc	100,000	Canadian Dollar	136,115	1.361	1.397	3,565
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Swiss Franc	100,000	Canadian Dollar	138,263	1.383	1.397	1,431
									<u>18,290</u>

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

Scotia Dividend Balanced Fund (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 (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	1,040,884	US Dollar	800,000	0.769	0.733	(50,298)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	910,819	US Dollar	700,000	0.769	0.733	(43,965)
State Street Bank & Trust Company	A-1+	Jan. 16, 2019	Canadian Dollar	1,692,340	US Dollar	1,300,000	0.768	0.733	(80,832)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	1,442,711	US Dollar	1,100,000	0.762	0.734	(56,887)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	787,079	US Dollar	600,000	0.762	0.734	(30,883)
State Street Bank & Trust Company	A-1+	Feb. 20, 2019	Canadian Dollar	1,708,759	US Dollar	1,300,000	0.761	0.734	(63,494)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	1,073,620	Swiss Franc	787,500	0.734	0.716	(26,563)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	289,748	Swiss Franc	212,500	0.733	0.716	(7,126)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	936,272	US Dollar	700,000	0.748	0.734	(17,563)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	1,471,124	US Dollar	1,100,000	0.748	0.734	(27,759)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	1,069,638	US Dollar	800,000	0.748	0.734	(20,458)
									<u>(425,828)</u>

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 investment 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 may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	16,557,179	(10,510,180)	6,046,999	2.8
Swiss Franc	2,279,232	(1,124,461)	1,154,771	0.5
	18,836,411	(11,634,641)	7,201,770	3.3

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$720,177 or approximately 0.3% of net assets (December 31, 2017 – \$1,460,368 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors

specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 98.2% (December 31, 2017 – 96.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$21,447,405 (December 31, 2017 – \$28,046,718). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	6.9	–
Consumer Discretionary	1.6	10.0
Consumer Staples	5.6	5.0
Energy	6.5	7.0
Financials	23.0	20.6
Fixed Income Funds	34.3	30.0
Health Care	1.0	3.1
Industrials	8.0	9.3
Information Technology	2.0	1.5
Materials	5.3	4.3
Real Estate	2.5	0.9
Telecommunication Services	–	3.1
Utilities	1.5	1.2

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	137,235,176	2,277,991	–	139,513,167
Underlying funds	74,960,887	–	–	74,960,887
Unrealized gain on currency forward contracts	–	18,290	–	18,290
	212,196,063	2,296,281	–	214,492,344
Unrealized loss on currency forward contracts	–	(425,828)	–	(425,828)
	212,196,063	1,870,453	–	214,066,516

	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

Scotia Dividend Balanced Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	18,290	(14,804)	–	3,486
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	18,290	(14,804)	–	3,486

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	425,828	(14,804)	–	411,024
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	425,828	(14,804)	–	411,024

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

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Income Fund Series I	60,552,999	1.0
Scotia Private Canadian Corporate Bond Pool Series I	14,407,888	0.3
	74,960,887	

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

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

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

Scotia Balanced Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	849,087,943	892,698,956
Derivatives	2,847,739	1,551,614
Cash	6,249,751	3,697,149
Cash collateral deposited on derivatives	–	1,230,668
Receivable for securities sold	8,469,827	7,434,511
Subscriptions receivable	832,414	1,432,862
Accrued investment income and other	2,343,311	2,324,449
	<u>869,830,985</u>	<u>910,370,209</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,847,481	862,529
Margin payable on derivatives	737,563	–
Payable for securities purchased	9,741,579	7,221,340
Redemptions payable	487,562	1,083,404
Distributions payable	359	927
	<u>12,814,544</u>	<u>9,168,200</u>
Net assets attributable to holders of redeemable units	<u>857,016,441</u>	<u>901,202,009</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	855,444,071	899,154,864
Advisor Series	321,099	778,310
Series D	375,307	775,447
Series F	875,964	493,388
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.20	19.95
Advisor Series	17.47	19.43
Series D	8.99	9.82
Series F	18.37	20.13

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	16,916,031	16,888,588
Interest for distribution purposes	8,063,709	8,100,565
Net realized gain (loss) on non-derivative financial assets	39,257,598	58,346,938
Change in unrealized gain (loss) on non-derivative financial assets	(80,178,908)	13,615,990
Net realized gain (loss) on derivatives	(622,585)	(3,832,405)
Change in unrealized gain (loss) on derivatives	311,173	634,932
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(16,252,982)	93,754,608
Securities lending (note 11)	40,352	57,218
Net realized and unrealized foreign currency translation gain (loss)	(320,550)	(68,291)
Other income	12,757	10,854
Total income (loss), net	<u>(16,520,423)</u>	<u>93,754,389</u>
EXPENSES		
Management fees (note 5)	14,945,402	14,389,362
Fixed administration fees and operating expenses (note 6)	993,755	959,493
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	–	17,536
Foreign withholding taxes/tax reclaims	1,411,678	1,324,251
Harmonized Sales Tax/Goods and Services Tax	1,647,837	1,589,405
Transaction costs	705,983	624,567
Total expenses	<u>19,705,904</u>	<u>18,905,749</u>
Expenses absorbed by the Manager	–	(1,346)
Net expenses	<u>19,705,904</u>	<u>18,904,403</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(36,226,327)</u>	<u>74,849,986</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(36,152,409)	74,737,270
Advisor Series	(25,596)	67,153
Series D	(24,618)	6,325
Series F	(23,704)	39,238
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.80)	1.73
Advisor Series	(0.69)	1.71
Series D	(0.56)	0.81
Series F	(0.58)	1.88
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	45,005,435	43,228,005
Advisor Series	37,036	39,177
Series D	43,605	7,828
Series F	41,035	20,906

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

Scotia Balanced Opportunities Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	899,154,864	852,252,737
Advisor Series	778,310	759,765
Series D	775,447	21,857
Series F	493,388	345,873
	<u>901,202,009</u>	<u>853,380,232</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(36,152,409)	74,737,270
Advisor Series	(25,596)	67,153
Series D	(24,618)	6,325
Series F	(23,704)	39,238
	<u>(36,226,327)</u>	<u>74,849,986</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(5,344,177)	(10,977,340)
Advisor Series	(4,351)	(10,775)
Series D	(4,253)	(1,888)
Series F	(11,991)	(10,012)
From net realized gains on investments		
Series A	(36,506,009)	(44,890,009)
Advisor Series	(22,217)	(39,652)
Series D	(15,749)	(6,333)
Series F	(38,180)	(24,793)
	<u>(41,946,927)</u>	<u>(55,960,802)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	129,863,222	95,728,953
Series D	275,277	790,529
Series F	1,272,428	242,402
Reinvested distributions		
Series A	41,732,602	55,710,408
Advisor Series	18,478	36,730
Series D	16,949	6,234
Series F	29,195	31,081
Payments on redemption		
Series A	(137,304,022)	(123,407,155)
Advisor Series	(423,525)	(34,911)
Series D	(647,746)	(41,277)
Series F	(845,172)	(130,401)
	<u>33,987,686</u>	<u>28,932,593</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(43,710,793)	46,902,127
Advisor Series	(457,211)	18,545
Series D	(400,140)	753,590
Series F	382,576	147,515
	<u>(44,185,568)</u>	<u>47,821,777</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	855,444,071	899,154,864
Advisor Series	321,099	778,310
Series D	375,307	775,447
Series F	875,964	493,388
	<u>857,016,441</u>	<u>901,202,009</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(36,226,327)	74,849,986
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(39,257,598)	(58,346,938)
Change in unrealized (gain) loss on non-derivative financial assets	80,178,908	(13,615,990)
Change in unrealized (gain) loss on derivatives	(311,173)	(634,932)
Unrealized foreign currency translation (gain) loss	5,441	(11,560)
Other non-cash transactions	(152,247)	(715,634)
Purchases of non-derivative financial assets and liabilities	(1,986,690,731)	(1,757,020,269)
Proceeds from sale of non-derivative financial assets and liabilities	1,991,017,603	1,778,996,653
Cash collateral deposited on derivatives	1,230,668	54,111
Margin payable on derivatives	737,563	–
Accrued investment income and other	(18,862)	277,172
Accrued expenses and other payables	–	(47,856)
Net cash provided by (used in) operating activities	<u>10,513,245</u>	<u>23,784,743</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	130,653,907	95,682,816
Amounts paid on redemption of redeemable units	(138,458,839)	(122,642,051)
Distributions to unitholders of redeemable units	(150,270)	(176,135)
Net cash provided by (used in) financing activities	(7,955,202)	(27,135,370)
Unrealized foreign currency translation gain (loss)	(5,441)	11,560
Net increase (decrease) in cash	2,558,043	(3,350,627)
Cash (bank overdraft), beginning of period	3,697,149	7,036,216
CASH (BANK OVERDRAFT), END OF PERIOD	<u>6,249,751</u>	<u>3,697,149</u>
Interest paid ⁽¹⁾	–	17,536
Interest received, net of withholding taxes ⁽¹⁾	8,067,824	8,398,448
Dividends received, net of withholding taxes ⁽¹⁾	15,329,155	14,827,990

⁽¹⁾ Classified as operating items.

Scotia Balanced Opportunities Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	
BONDS AND DEBENTURES – 28.5%				BONDS AND DEBENTURES (cont'd)				
Corporate Bonds – 9.6%				Corporate Bonds (cont'd)				
407 International Inc. (Callable) 2.47% Aug 08, 2022	171,000	167,742	168,130	Dell Inc. 5.40% Sep 10, 2040	USD	15,000	17,260	
ADT Corporation, The 3.50% Jul 15, 2022	USD	90,000	111,832	Diamond 1 Finance Corporation / Diamond 2 Finance Corporation (Callable) 5.88% Jun 15, 2021	USD	140,000	196,139	
AECOM (Callable) 5.13% Dec 15, 2026	USD	70,000	91,866	82,360	191,061			
AES Corporation (Callable) 5.50% Apr 15, 2020	USD	60,000	79,236	81,945	61,679			
Air Canada (Callable) 4.75% Oct 06, 2019	USD	50,000	50,188	50,688	818,000	820,521	822,457	
Alcoa Inc. (Callable) 5.13% Jul 01, 2024	USD	175,000	237,831	232,155	535,000	535,000	535,905	
Allison Transmission Holdings Inc. (Callable) 5.00% Oct 01, 2019	USD	279,000	354,429	367,266	Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	365,000	371,541	368,555
Ally Financial Inc. 4.13% Feb 13, 2022	USD	264,000	349,103	350,221	Enbridge Inc. (Callable) 3.95% Aug 19, 2024	832,000	846,520	848,956
Ally Financial Inc. 5.13% Sep 30, 2024	USD	168,000	226,915	225,733	Enbridge Inc. (Callable) 4.57% Sep 11, 2043	1,121,000	1,124,203	1,081,145
Ashland LLC (Callable) 4.75% May 15, 2022	USD	50,000	64,928	67,196	Enbridge Inc. (Callable) 4.87% May 21, 2044	563,000	576,321	559,851
Ashtead Capital Inc. (Callable) 5.63% Oct 01, 2019	USD	40,000	53,586	54,837	Enbridge Inc. (Callable) 5.38% Sep 27, 2027	2,263,000	2,173,819	2,090,800
AutoCanada Inc. (Callable) 5.63% May 25, 2021	USD	185,000	178,921	178,409	Enbridge Inc. 4.24% Aug 27, 2042	607,000	574,648	554,696
Ball Corporation 5.25% Jul 01, 2025	USD	80,000	112,891	110,207	Energizer Gamma Acquisition Inc. (Callable) 6.38% Jul 15, 2021	USD	20,000	26,606
Bank of Montreal (Callable) 4.34% Oct 05, 2023	USD	1,347,000	1,726,857	1,833,865	First Capital Realty Inc. (Callable) 3.60% Feb 06, 2026	1,300,000	1,289,522	1,260,018
Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021	USD	2,459,000	2,579,722	2,497,427	Freemont-McMoran Inc. (Callable) 3.55% Dec 01, 2021	USD	225,000	278,691
Bank of Montreal 1.61% Oct 28, 2021	USD	2,571,000	2,477,761	2,492,099	GLP Capital LP / GLP Financing I Inc. (Callable) 4.88% Aug 01, 2020	USD	25,000	34,981
Bank of Montreal 1.88% Mar 31, 2021	USD	2,722,000	2,666,032	2,674,763	GLP Capital LP / GLP Financing II Inc. 5.25% Jun 01, 2025	USD	25,000	32,215
Bank of Montreal 2.27% Jul 11, 2022	USD	2,381,000	2,322,419	2,336,094	goeasy Ltd. (Callable) 7.88% Nov 01, 2019	USD	178,000	245,650
Bank of Montreal 2.89% Jun 20, 2023	USD	4,411,000	4,389,767	4,408,574	Goodyear Tire & Rubber Company, The (Callable) 5.13% Nov 15, 2023	USD	72,000	96,684
Bausch Health Cos Inc. (Callable) 5.50% Nov 01, 2020	USD	45,000	56,346	57,551	Hanesbrands Inc. (Callable) 4.88% Feb 15, 2026	USD	100,000	125,391
Bausch Health Cos Inc. (Callable) 7.00% Mar 15, 2020	USD	20,000	27,414	27,623	HCA Inc. (Callable) 4.50% Aug 15, 2026	USD	30,000	38,062
Bell Canada (Callable) 4.35% Jun 18, 2045	USD	194,000	195,416	181,788	HCA Inc. 5.00% Mar 15, 2024	USD	161,000	217,317
Bell Canada (Callable) 4.45% Aug 27, 2046	USD	423,000	426,160	403,142	HCA Inc. 5.25% Apr 15, 2025	USD	230,000	305,131
Bell Canada (Callable) 4.75% Mar 29, 2044	USD	229,000	239,987	228,762	HD Supply Inc. (Callable) 5.38% Oct 15, 2021	USD	89,000	113,920
Bell Canada Inc. (Callable) 3.60% Jun 29, 2027	USD	814,000	794,847	800,876	Hilcorp Energy I LP / Hilcorp Finance Company (Callable) 5.75% Apr 01, 2020	USD	50,000	66,034
Bombardier Inc. 8.75% Dec 01, 2021	USD	25,000	33,507	35,315	Huntsman International LLC (Callable) 5.13% Aug 15, 2022	USD	50,000	66,856
Brookfield Residential Properties Inc. (Callable) 6.13% May 15, 2023	USD	100,000	97,875	98,333	Hydro One Inc. 6.93% Jun 01, 2032	USD	172,000	247,357
Canadian Imperial Bank of Commerce (Callable) 3.45% Apr 04, 2023	USD	4,435,000	4,367,447	4,385,833	Hydro One Inc. 7.35% Jun 03, 2030	USD	1,246,000	1,815,766
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	USD	1,335,000	1,311,531	1,310,267	Icahn Enterprises LP / Icahn Enterprises Finance Corporation (Callable) 5.88% Feb 01, 2022	USD	130,000	171,386
Canadian Imperial Bank of Commerce 2.90% Sep 14, 2021	USD	1,899,000	1,898,943	1,905,343	Intact Financial Corporation (Callable) 2.85% Mar 07, 2027	USD	326,000	303,310
Cascades Inc. 5.50% Jul 15, 2021	USD	100,000	103,000	101,500	Intact Financial Corporation 4.70% Aug 18, 2021	USD	721,000	781,468
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.50% May 01, 2021	USD	75,000	98,716	98,401	International Game Technology PLC (Callable) 6.25% Jul 15, 2026	USD	48,000	62,539
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.75% Feb 15, 2021	USD	75,000	99,672	100,268	International Game Technology PLC (Callable) 6.50% Aug 15, 2024	USD	80,000	111,691
CCO Holdings LLC / CCO Holdings Capital Corporation (Callable) 5.88% Apr 01, 2019	USD	376,000	508,106	509,227	Iron Mountain Canada Operations ULC (Callable) 5.38% Sep 15, 2019	USD	125,000	130,250
CDK Global Inc. (Callable) 5.88% Jun 15, 2021	USD	50,000	64,650	68,958	L Brands Inc. 6.69% Jan 15, 2027	USD	185,000	234,543
Centene Corporation (Callable) 4.75% Jan 15, 2020	USD	240,000	317,898	313,122	Lamar Media Corporation (Callable) 5.75% Feb 01, 2021	USD	50,000	69,930
Centene Escrow I Corporation (Callable) 5.38% Jun 01, 2021	USD	40,000	51,420	53,626	Lennar Corporation (Callable) 4.75% Aug 15, 2022	USD	135,000	179,594
Choice Properties LP (Callable) 3.60% Jan 20, 2020	USD	2,564,000	2,700,757	2,584,344	Level 3 Financing Inc. (Callable) 5.13% May 01, 2023	USD	25,000	32,785
Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023	USD	719,000	723,280	708,700	Level 3 Financing Inc. (Callable) 5.38% Jan 15, 2019	USD	430,000	568,911
Choice Properties Real Estate Investment Trust (Callable) 4.06% Aug 24, 2025	USD	593,000	603,681	594,177	Loblaws Companies Limited 6.50% Jan 22, 2029	USD	625,000	786,705
Choice Properties Real Estate Investment Trust (Callable) 4.18% Dec 08, 2027	USD	469,000	464,320	464,679	Mattamy Group Corporation (Callable) 6.50% Oct 01, 2020	USD	80,000	81,125
Choice Properties Real Estate Investment Trust (Callable) 4.29% Nov 08, 2023	USD	737,000	782,629	754,345	MGM Resorts International 6.00% Mar 15, 2023	USD	100,000	141,394
Choice Properties Real Estate Investment Trust (Callable) 4.90% Apr 05, 2023	USD	2,000,000	2,242,756	2,098,716	Micon Technology Inc. (Callable) 5.50% Aug 01, 2019	USD	45,000	54,762
CIT Group Inc. 5.00% Aug 15, 2022	USD	85,000	112,109	114,957	Mueller Water Products Inc. (Callable) 5.50% Jun 15, 2021	USD	25,000	32,440
Cominar Real Estate Investment Trust 4.16% Jun 01, 2022	USD	185,000	182,430	182,935	Nokia Oyj 4.38% Jun 12, 2027	USD	55,000	70,306
CommScope Technologies LLC (Callable) 5.00% Mar 15, 2022	USD	70,000	87,044	78,102	Norbord Inc. 5.38% Dec 01, 2020	USD	136,000	181,159
CPPIB Capital Inc. 3.00% Jun 15, 2028	USD	826,000	826,000	838,319	NOVA Chemicals Corporation 5.25% Jun 01, 2027	USD	55,000	69,977
CSC Holdings LLC (Callable) 5.50% Apr 15, 2022	USD	55,000	72,547	70,124	Olin Corporation (Callable) 5.13% Mar 15, 2022	USD	65,000	82,489
CSC Holdings LLC (Callable) 7.50% Apr 01, 2023	USD	347,000	474,759	472,673	Park Aerospace Holdings Ltd. 5.50% Feb 15, 2024	USD	95,000	120,920
CU Inc. (Callable) 3.96% Jan 27, 2045	USD	337,000	357,904	344,895	Parkland Fuel Corporation (Callable) 6.00% Apr 01, 2021	USD	45,000	58,905
CU Inc. (Callable) 4.72% Mar 09, 2043	USD	241,000	284,064	274,776	Party City Holdings Inc. (Callable) 6.13% Aug 15, 2023	USD	60,000	78,182
CU Inc. 4.54% Oct 24, 2041	USD	903,000	1,024,089	999,040	Party City Holdings Inc. (Callable) 6.63% Aug 01, 2021	USD	111,000	144,537
CU Inc. 5.90% Nov 20, 2034	USD	417,000	535,908	521,375	Pilgrim's Pride Corporation (Callable) 5.88% Sep 30, 2022	USD	65,000	79,366
CyrusOne LP / CyrusOne Finance Corporation (Callable) 5.00% Mar 15, 2020	USD	91,000	119,489	122,117	Plenary Properties LTAP LP 6.29% Jan 31, 2044	USD	94,556	119,688
CyrusOne LP / CyrusOne Finance Corporation (Callable) 5.38% Mar 15, 2022	USD	194,000	254,266	259,148	PulteGroup Inc. (Callable) 5.50% Dec 01, 2025	USD	75,000	104,212
					Qorvo Inc. (Callable) 5.50% Jul 15, 2021	USD	60,000	7,922
					QVC Inc. (Callable) 4.45% Nov 15, 2024	USD	75,000	93,550
					Qwest Corporation 6.75% Dec 01, 2021	USD	120,000	165,300
					Rockies Express Pipeline LLC 6.88% Apr 15, 2040	USD	25,000	35,402
					Royal Bank of Canada (Floating Rate) 1.96% May 02, 2019	USD	3,000,000	3,007,500
					Royal Bank of Canada 1.65% Jul 15, 2021	USD	2,695,000	2,617,211
					Royal Bank of Canada 2.86% Mar 04, 2021	USD	4,148,000	4,308,907
					Royal Bank of Canada 3.30% Sep 26, 2023	USD	5,612,000	5,598,766
							5,637,873	

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)/		
					Number of Shares	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Provincial Bonds (cont'd)			
Russel Metals Inc. (Callable) 6.00% Apr 19, 2022	75,000	76,875	75,297	Province of Ontario 2.90% Dec 02, 2046	1,268,000	1,237,687	1,196,719
Russel Metals Inc. (Callable) 6.00% Mar 16, 2021	60,000	60,000	59,175	Province of Ontario 2.90% Jun 02, 2028	269,000	265,277	270,765
Sally Holdings LLC / Sally Capital Inc. (Callable) 5.63% Dec 01, 2020	USD 188,000	241,210	237,502	Province of Ontario 3.15% Jun 02, 2022	5,308,000	5,388,257	5,449,615
Sealed Air Corporation (Callable) 5.50% Jun 15, 2025	USD 65,000	92,200	87,766	Province of Ontario 3.50% Jun 02, 2024	20,579,000	21,648,510	21,566,577
Sensata Technologies UK Financing Co. PLC (Callable) 6.25% Feb 15, 2021	USD 60,000	84,394	82,665	Province of Ontario 4.65% Jun 02, 2041	292,000	351,803	359,588
Sirius XM Radio Inc. (Callable) 5.38% Jul 15, 2021	USD 150,000	202,388	192,073	Province of Ontario 4.70% Jun 02, 2037	2,113,000	2,529,353	2,567,969
Smart Real Estate Investment Trust 3.56% Feb 06, 2025	884,000	885,220	864,017	Province of Ontario 5.60% Jun 02, 2035	663,000	897,165	873,159
Sobeys Inc. (Callable) 4.70% May 08, 2023	222,000	228,583	227,395	Province of Ontario 5.85% Mar 08, 2033	528,000	720,768	697,456
Sprint Communications Inc. 7.00% Mar 01, 2020	USD 100,000	142,865	139,911	Province of Ontario 6.50% Mar 08, 2029	410,000	564,726	539,056
Standard Industries Inc. (Callable) 6.00% Oct 15, 2020	USD 55,000	72,784	72,350	Province of Quebec 2.50% Sep 01, 2026	1,064,000	1,032,182	1,051,187
Steel Dynamics Inc. (Callable) 5.00% Dec 15, 2021	USD 30,000	38,571	38,684	Province of Quebec 3.50% Dec 01, 2022	428,000	439,984	446,316
Superior Plus Corporation (Callable) 5.25% Feb 27, 2020	105,000	105,225	98,952	Province of Quebec 3.50% Dec 01, 2045	253,000	267,092	268,967
Superior Plus LP (Callable) 5.13% Feb 27, 2021	45,000	45,000	41,217	Province of Quebec 3.50% Dec 01, 2048	4,818,000	5,212,277	5,159,520
Symantec Corporation (Callable) 5.00% Apr 15, 2020	USD 70,000	90,235	89,594	Province of Saskatchewan 2.65% Jun 02, 2027	1,587,000	1,580,319	1,567,773
Tenet Healthcare Corporation (Callable) 4.63% Jul 15, 2020	USD 25,000	31,548	32,297	Province of Saskatchewan 3.30% Jun 02, 2048	3,693,000	3,808,618	3,724,976
Tenet Healthcare Corporation 6.00% Oct 01, 2020	USD 175,000	241,741	243,023			73,099,160	72,531,187
Toronto-Dominion Bank, The 2.62% Dec 22, 2021	986,000	973,498	982,406	TOTAL BONDS AND DEBENTURES		243,660,321	244,041,767
Toronto-Dominion Bank, The 3.01% May 30, 2023	649,000	647,715	652,852	EQUITIES – 68.6%			
TransCanada PipeLines Ltd. (Callable) 3.69% Apr 19, 2023	650,000	658,411	663,768	Communication Services – 4.2%			
TransCanada PipeLines Ltd. (Callable) 4.18% Jan 03, 2048	712,000	712,684	656,603	58.com Inc.	21,000	1,610,880	1,552,914
TransCanada PipeLines Ltd. (Callable) 4.35% Dec 06, 2045	750,000	764,486	717,055	Activision Blizzard Inc.	8,300	575,007	527,270
TransCanada PipeLines Ltd. 4.55% Nov 15, 2041	386,000	411,614	381,050	Aimia Inc.	102,200	362,700	377,118
TransCanada PipeLines Ltd. 8.05% Feb 17, 2039	261,000	410,378	371,414	Alphabet Inc., Class A	200	287,035	285,088
TransCanada Trust (Callable) 4.65% May 18, 2027	1,571,000	1,504,812	1,407,950	Alphabet Inc., Class C	2,300	2,335,429	3,249,172
TRI Pointe Group Inc. / TRI Pointe Homes Inc. 5.88% Jun 15, 2024	USD 25,000	32,216	30,628	AT&T Inc.	400	16,092	15,573
United Rentals North America Inc. (Callable) 4.88% Jan 15, 2023	USD 95,000	118,983	114,525	Baidu, Inc.	400	89,302	86,539
VeriSign Inc. (Callable) 4.75% Jul 15, 2022	USD 60,000	75,411	76,985	BCE Inc.	15,241	738,870	821,947
VICI Properties 1 LLC / VICI FC Inc. (Callable) 8.00% Oct 15, 2020	USD 55,000	78,808	80,743	CBS Corporation, Class B	23,700	1,631,330	1,413,439
Videotron Ltd. / Videotron Ttee (Callable) 5.13% Apr 15, 2022	USD 55,000	73,172	71,087	CD Projekt SA	3,300	241,821	174,882
WellCare Health Plans Inc. (Callable) 5.25% Apr 01, 2020	USD 35,000	47,862	46,150	Comcast Corporation, Class A	45,500	2,043,411	2,113,378
Western Digital Corporation (Callable) 4.75% Nov 15, 2025	USD 88,000	108,442	104,647	Deutsche Telekom AG	141,000	3,090,188	3,267,891
Williams Cos Inc., The (Callable) 3.70% Oct 15, 2022	USD 165,000	205,249	221,389	Facebook Inc.	6,700	1,234,270	1,198,100
		83,232,395	82,195,630	Global Telecom Holding SAE	910,910	524,916	528,335
Federal Bonds – 10.3%				IAC/InterActiveCorp	100	24,467	24,969
Canada Housing Trust No. 1 2.35% Jun 15, 2023	16,261,000	16,104,317	16,314,374	Liberty Global PLC	15,100	534,227	425,143
Canada Housing Trust No. 1 2.40% Dec 15, 2022	628,000	632,584	632,059	Liberty Global PLC, Class A	6,600	264,994	192,126
Canada Housing Trust No. 1 2.55% Dec 15, 2023	4,152,000	4,156,719	4,198,328	Liberty TripAdvisor Holdings Inc. Series A	6,600	154,329	143,059
Government of Canada 1.50% Jun 01, 2023	1,863,000	1,833,285	1,832,948	Mixl Inc.	10,700	565,417	308,166
Government of Canada 2.00% Sep 01, 2023	17,255,000	17,087,502	17,344,295	Nippon Telegraph and Telephone Corporation	6,200	327,332	344,431
Government of Canada 2.50% Jun 01, 2024	189,000	193,095	194,801	Proximus S.A.	16,100	579,541	592,874
Government of Canada 2.75% Dec 01, 2048	18,619,000	19,833,171	20,937,732	Rogers Communications, Inc., Class B	72,300	3,808,781	5,058,108
Government of Canada 2.75% Jun 01, 2022	8,883,000	9,011,712	9,139,209	Shaw Communications, Inc., Class B	29,400	729,599	726,474
Government of Canada 5.00% Jun 01, 2037	10,363,000	14,528,990	14,843,127	SK Telecom Co., Ltd. – ADR	3,900	143,761	142,577
Government of Canada 5.75% Jun 01, 2033	1,897,000	2,800,778	2,762,707	SoftBank Group Corporation	22,600	2,397,747	2,032,527
United States Treasury Notes 2.88% Nov 30, 2023	USD 280,000	381,523	388,679	TELUS Corporation	90,504	3,414,047	4,095,306
		86,563,676	88,588,259	Tencent Holdings Limited	6,200	340,317	335,252
Municipal Bonds – 0.1%				T-Mobile US Inc.	1,500	129,525	130,156
City of Toronto 3.20% Aug 01, 2048	767,000	765,090	726,691	Turkcell Iletisim Hizmetleri AS – ADR	28,600	198,750	219,256
Provincial Bonds – 8.5%				Verizon Communications Inc.	64,300	4,078,526	4,931,175
Province of Alberta 2.20% Jun 01, 2026	1,653,000	1,599,385	1,590,452	Walt Disney Company, The	6,900	971,929	1,032,063
Province of Alberta 2.35% Jun 01, 2025	995,000	924,135	916,913			33,444,540	36,075,308
Province of Alberta 2.65% Sep 01, 2023	1,168,000	1,167,498	1,176,086	Consumer Discretionary – 5.4%			
Province of Alberta 2.90% Dec 01, 2028	401,000	399,560	400,624	Adidas-Salomon AG	10,600	3,153,465	3,022,265
Province of Alberta 3.05% Dec 01, 2048	3,652,000	3,641,290	3,492,320	Amazon.com, Inc.	2,300	4,779,741	4,712,352
Province of Alberta 3.10% Jun 01, 2024	450,000	479,453	461,444	Aptiv PLC	200	18,170	16,798
Province of Alberta 3.30% Dec 01, 2046	1,807,000	1,806,718	1,806,037	Belluna Co., Ltd.	13,800	224,526	169,616
Province of New Brunswick 4.55% Mar 26, 2037	643,000	764,752	745,893	Best Buy Co., Inc.	600	52,508	43,346
Province of New Brunswick 4.80% Jun 03, 2041	605,000	725,811	736,633	Betsson AB	14,200	150,705	159,961
Province of Newfoundland and Labrador 2.85% Jun 02, 2028	916,000	913,270	906,387	Bridgepoint Education Inc.	17,100	288,160	163,517
Province of Ontario 2.40% Jun 02, 2026	706,000	683,528	691,376	Canada Goose Holdings Inc.	3,500	312,617	208,880
Province of Ontario 2.60% Jun 02, 2025	6,200,000	6,114,478	6,188,770	Collins Foods Ltd.	7,400	51,097	43,989
Province of Ontario 2.80% Jun 02, 2048	8,285,000	7,935,264	7,678,609				

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Consumer Discretionary (cont'd)				Consumer Staples (cont'd)			
D.R. Horton, Inc.	12,700	629,263	600,456	Hormel Foods Corporation	5,700	305,723	331,855
Darden Restaurants, Inc.	3,500	498,167	476,769	Keurig Dr Pepper Inc.	7,000	246,260	244,830
Extended Stay America Inc.	1,000	23,709	21,144	Kirin Holdings Co., Ltd.	500	14,797	14,350
Fila Korea Ltd.	5,007	330,291	329,827	Lamb Weston Holdings Inc.	9,500	954,787	953,266
Ford Otomotiv Sanayi A.S.	6,000	75,576	76,904	L'Oreal SA	2,200	640,125	689,040
Furyu Corporation	2,400	28,746	30,521	Medifast Inc.	3,500	981,020	596,893
General Motors Company	48,600	2,304,435	2,217,589	PepsiCo, Inc.	10,100	1,346,403	1,522,137
Genuine Parts Company	400	52,255	52,393	Philip Morris International Inc.	29,200	2,686,799	2,659,180
Gildan Activewear Inc.	23,400	733,814	969,696	PT Japfa Comfeed Indonesia TBK	811,400	121,497	165,926
Haseko Corporation	1,000	15,189	14,284	Royal Unibrew AVS	200	21,867	18,791
Hermes International	100	73,943	75,457	Swedish Match AB	200	13,133	10,763
Home Depot Inc., The	19,300	4,906,143	4,523,553	Sysco Corporation	27,600	2,531,304	2,359,110
Kering SA	1,400	940,036	893,980	Unilever NV – ADR	9,300	688,681	682,518
Las Vegas Sands Corporation	400	27,351	28,401	Vitasoy International Holdings Ltd.	4,000	20,918	20,700
Liberty Broadband Corporation, Class C	4,900	527,861	481,458	Walmart Inc.	31,400	3,586,185	3,989,892
Lowe's Companies, Inc.	13,800	1,856,915	1,738,648			<u>35,448,069</u>	<u>37,511,631</u>
Lululemon Athletica Inc.	10,000	1,876,390	1,658,891	Energy – 7.0%			
LVMH Moët Hennessy Louis Vuitton SA	1,700	775,624	681,568	Carneco Corporation	57,600	763,338	891,648
Magna International Inc.	43,600	2,410,063	2,701,892	Canadian Natural Resources Ltd.	198,070	7,594,888	6,524,426
Marriott International Inc., Class A	2,900	444,237	429,454	Genovus Energy Inc.	155,500	2,849,665	1,492,800
McDonald's Corporation	6,600	1,408,457	1,598,682	China Petroleum & Chemical Corporation	139,300	2,949,605	2,356,989
Michael Kors Holdings Limited	1,600	84,223	82,763	China Shenhua Energy Co Ltd.	172,500	500,879	512,535
NIKE, Inc., Class B	32,300	3,196,691	3,266,658	CNOOC Ltd. – ADR	10,900	2,348,373	2,266,744
Ocado Group PLC	10,400	160,308	142,305	Crescent Point Energy Corporation	273,800	2,527,415	1,133,532
Office Depot Inc.	24,000	81,817	84,466	Ecopetrol SA – ADR	74,000	1,434,593	1,602,990
Ohsho Food Service Corporation	1,500	135,147	134,511	Enbridge Inc.	145,602	7,431,170	6,174,981
O'Reilly Automotive, Inc.	400	158,411	187,881	EnCana Corporation	48,008	673,684	378,303
Persimmon PLC	19,400	864,514	648,723	Enerplus Corporation	136,300	2,038,395	1,447,506
Peugeot SA	41,100	1,261,981	1,192,037	Eni SpA	48,700	1,217,815	1,046,403
Restaurant Brands International Inc.	34,054	2,385,410	2,428,731	Exxon Mobil Corporation	3,500	352,527	325,565
Round One Corporation	44,700	937,280	630,432	Gazprom – ADR	122,200	718,024	736,787
Seiko Holdings Corporation	23,900	861,227	622,694	Grupama Lotos SA	18,700	519,029	603,112
Shoiva Corporation	9,500	182,035	151,998	Indo Tambora Raya Megah Tbk PT	265,800	465,265	510,634
Sony Corporation	3,300	228,729	217,335	Kelt Exploration Ltd.	68,800	550,881	319,232
Starbucks Corporation	35,800	3,151,915	3,144,977	Kunlun Energy Co., Ltd.	258,000	381,798	370,631
Suzuki Motor Corporation	1,500	101,973	103,560	Lukoil Oil Company – ADR	8,700	738,119	846,644
Tailored Brands Inc.	2,900	62,775	53,959	MOL Hungarian Oil & Gas PLC	102,200	1,334,503	1,531,348
T-Gaia Corporation	40,300	1,186,816	1,035,577	Motor Oil Hellas Corinth Refineries SA	10,800	314,185	353,826
TIIX Companies, Inc., The	30,400	2,124,796	1,855,317	Neste Oyj	20,800	2,266,811	2,191,192
TUI AG	8,800	201,343	172,378	New Hope Corporation Ltd.	36,300	119,590	118,985
Uni-Select Inc.	39,700	843,764	770,577	OMV AG	42,700	2,451,504	2,548,125
Volkswagen AG	6,700	1,488,729	1,454,712	Parkland Fuel Corporation	18,200	767,672	643,188
Wyndham Destinations Inc.	2,400	131,816	117,335	PetroChina Co., Ltd.	492,000	490,855	414,946
Yum China Holdings Inc.	600	28,583	27,443	PetroChina Co., Ltd. – ADR	11,100	1,071,987	931,965
		<u>48,829,737</u>	<u>46,668,660</u>	Phillips 66 Company	100	12,282	11,752
Consumer Staples – 4.4%				Polski Koncern Naftowy ORLEN SA			
a2 Milk Co., Ltd.	44,600	319,023	450,171	Polskie Gornictwo Naftowe i Gazownictwo SA	377,200	773,474	951,173
Alimentation Couche-Tard Inc., Class B	49,800	3,193,167	3,381,918	PTT Exploration & Production PCL	3,000	17,077	14,334
Altria Group Inc.	37,400	2,768,811	2,519,760	Snam SpA	90,100	517,658	538,100
Avon Products Inc.	36,600	125,722	75,888	Suncor Energy, Inc.	180,024	7,034,011	6,864,315
BIM Bireksik Magazalar AS	83,500	1,664,829	1,873,126	Surgutneftegas OJSC – ADR	94,200	556,110	487,664
British American Tobacco PLC – ADR	6,700	367,217	291,185	Tambang Batubara Bukit Asam Persero Tbk PT	2,225,500	823,307	907,871
Coca-Cola Company, The	55,500	3,031,766	3,584,772	Tatneft OAO	8,600	557,304	738,093
Coca-Cola European Partners PLC	17,180	1,016,300	1,074,512	TransCanada Corporation	117,519	6,389,688	5,729,051
Coca-Cola HBC AG	11,000	272,791	467,170	Trican Well Service Ltd.	536,570	1,604,599	638,518
Colruyt SA	3,100	292,097	301,308	Tupras Turkiye Petrol Rafinerileri AS	54,200	1,669,377	1,630,410
ConAgra Foods, Inc.	1,700	71,688	49,533	Washington H Soul Pattinson & Co., Ltd.	27,500	699,464	654,670
Constellation Brands, Inc., Class A	1,500	384,921	329,064	Whitehaven Coal Ltd.	30,400	169,342	126,459
Costco Wholesale Corporation	10,800	3,209,104	3,001,129	Yanzhou Coal Mining Co., Ltd., Class H	454,000	770,033	496,500
Davide Campari-Milano SpA	57,800	652,399	667,472			<u>68,449,885</u>	<u>60,364,738</u>
Diageo PLC	75,200	2,647,373	3,648,212	Financials – 16.2%			
Empire Company Limited, Class A	50,674	1,195,770	1,460,931	3i Group PLC	10,000	125,508	134,013
Estee Lauder Companies Inc., The	100	17,601	17,747	Administradora de Fondos de Pensiones Habitat S.A.	38,300	68,900	68,597
Hershey Company, The	400	57,991	58,482				

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Financials (cont'd)				Financials (cont'd)			
Allianz SE	4,200	1,164,116	1,149,912	Plus500 Ltd.	11,900	174,522	283,639
Allstate Corporation, The	11,600	1,409,858	1,307,508	PNC Financial Services Group, Inc., The	14,100	2,595,557	2,248,637
American Capital Agency Corporation	8,600	200,531	205,767	Poste Italiane SpA	2,900	28,496	31,756
American Equity Investment Life Holding Company	5,700	239,741	217,245	Power Corporation of Canada	124,000	3,787,759	3,041,720
American Express Company	22,500	2,669,742	2,925,602	Powszechna Kasa Oszczednosci Bank Polski SA	7,800	121,759	112,173
Ameriprise Financial, Inc.	1,300	227,754	185,083	Powszechny Zaklad Ubezpiezen SA	11,700	161,808	187,694
Arbor Realty Trust Inc.	49,000	575,302	673,092	Progressive Corporation, The	30,400	2,230,926	2,501,817
Ares Capital Corporation	10,100	219,588	214,653	Radian Group Inc.	12,000	254,353	267,802
ASR Nederland NV	6,700	313,431	360,821	Regions Financial Corporation	3,900	83,983	71,182
Australia & New Zealand Banking Group Ltd.	800	21,316	18,814	Royal Bank of Canada	206,418	16,212,669	19,287,698
AXA Equitable Holdings Inc.	1,700	40,340	38,565	Royal Bank of Scotland Group PLC	19,000	90,477	71,305
Banco do Brasil S. A.	17,100	248,884	280,368	Royal Bank of Scotland Group PLC – Sponsored ADR	63,893	586,959	487,207
Bank of America Corporation	80,600	3,064,254	2,709,096	S&P Global Inc.	10,900	2,275,415	2,526,799
Bank of Montreal	53,406	5,233,198	4,763,281	Shimao Property Holdings Ltd.	452,500	1,142,600	1,632,815
Bank of Nova Scotia, The ¹	201,722	13,952,280	13,727,182	Sofina SA	800	210,828	206,760
Barclays PLC	128,900	1,550,389	1,325,784	Sompo Japan Nipponkoa Holdings Inc.	300	16,142	13,817
BB&T Corporation	9,100	610,824	537,748	Sisawad Power 1979 PCL, Warrants Jun 11, 2020	24,068	–	7,007
Berkshire Hathaway Inc., Class B	14,000	3,678,962	3,899,329	Sul America S.A.	2,300	20,957	23,148
Brookfield Asset Management Inc., Class A	73,196	3,767,700	3,829,615	Sun Life Financial Inc.	33,300	1,739,002	1,508,157
Canadian Imperial Bank of Commerce	55,390	5,055,883	5,632,055	SunTrust Banks Inc.	10,400	797,760	715,578
Charles Schwab Corporation, The	32,200	2,125,750	1,824,175	Synchrony Financial	17,200	650,031	550,434
Cherry Hill Mortgage Investment Corporation	1,900	45,537	45,460	Synovus Financial Corporation	1,800	88,669	78,548
China Everbright Bank Co., Ltd.	25,000	14,658	14,784	T. Rowe Price Group Inc.	1,800	273,394	226,682
China Merchants Bank Co., Ltd.	18,500	98,286	91,786	TD Ameritrade Holding Corporation	300	20,891	20,036
Chongqing Rural Commercial Bank Co., Ltd.	889,000	741,051	647,280	Thomson Reuters Corporation	23,739	1,509,358	1,565,112
CI Financial Corporation	94,600	2,520,921	1,634,688	Tochigi Bank Ltd., The	61,100	394,057	189,319
Citigroup Inc.	15,000	1,060,578	1,065,232	Toronto-Dominion Bank, The	285,466	15,696,480	19,371,723
Comerica Incorporated	3,400	392,850	318,582	Turkiye Garanti Bankasi AS	18,600	35,612	37,604
Dai-ichi Life Holdings Inc.	1,400	35,184	29,599	U.S. Bancorp	45,400	3,071,785	2,830,223
Deutsche Boerse AG	100	17,307	16,408	Unipol Gruppo SpA	52,400	284,774	288,308
Dongbu Insurance Co., Ltd.	1,344	110,010	115,977	Walker & Dunlop Inc.	7,000	297,855	412,984
ECN Capital Corporation	258,600	877,539	892,170	Wells Fargo & Company	73,400	5,276,434	4,613,783
Element Fleet Management Corporation	377,300	3,412,033	2,607,143	Woori Bank	21,165	299,590	404,756
Employers Holdings Inc.	300	17,683	17,175				
Euronext NV	300	28,366	23,508			137,329,950	139,111,205
Far East Horizon Ltd.	27,000	34,986	37,141	Health Care – 5.6%			
Fifth Third Bancorp	12,800	503,404	410,847	AbbVie Inc.	16,100	1,998,551	2,024,689
FinecoBank Banca Fineco SpA	6,600	106,989	90,618	Almiral S.A.	26,900	654,600	558,984
Goldman Sachs Group, Inc., The	1,600	388,549	364,599	Amedys Inc.	2,300	342,145	367,426
Grupo Financiero Banorte S.A.B. de C.V., Series O	23	151	153	Asserto Therapeutics Inc.	61,300	601,124	301,867
Hana Financial Group Inc.	15,463	840,657	686,418	Bausch Health Cos Inc.	53,400	1,300,535	1,348,350
Hannover Rueck AG	700	130,005	128,744	bioMérieux	300	28,181	26,981
Hyundai Marine & Fire Insurance Co., Ltd.	636	30,499	32,002	Bristol-Myers Squibb Company	38,100	2,669,790	2,701,531
Intact Financial Corporation	11,660	1,149,047	1,156,555	Brookdale Senior Living Inc.	1,300	15,107	11,881
Inversiones La Construccion S.A.	30,975	461,521	679,288	Carl Zeiss Meditec AG	6,100	650,786	651,281
IRB Brasil Resseguros S.A.	3,300	76,822	96,880	Cochlear Limited	2,700	502,050	447,775
Israel Discount Bank Ltd. – ADR	88,500	401,955	372,204	Coloplast AS	3,000	392,869	380,272
Jafco Co., Ltd.	500	28,357	21,592	Community Health Systems Inc.	112,000	811,337	430,840
JPMorgan Chase & Co.	38,300	5,092,535	5,100,188	CSL Ltd.	15,700	3,058,686	2,798,361
KB Financial Group Inc.	41,132	2,550,371	2,354,386	DiaSorin SpA	1,400	192,564	154,768
Keiyo Bank Ltd., The	4,900	57,498	43,186	Elekta AB, Class B	64,700	1,011,293	1,048,425
KKR Real Estate Finance Trust Inc.	8,400	214,296	219,430	Encompass Health Corporation	8,200	820,079	690,157
Kyobo Securities Co., Ltd.	31,691	415,573	353,473	Endo Pharmaceuticals Holdings Inc.	60,200	846,917	599,471
Ladder Capital Corporation, Class A	31,402	738,131	662,668	Fisher & Paykel Healthcare Corporation Ltd.	22,300	282,907	263,916
LTC Properties Inc.	2,600	153,791	147,826	Fukuda Denshi Co., Ltd.	6,900	499,295	574,242
M&T Bank Corporation	3,400	730,727	663,832	GlaxoSmithKline PLC	7,800	218,286	202,062
Magellan Financial Group Ltd.	900	22,206	20,394	GN Store Nord AS	18,200	1,166,527	928,325
Manulife Financial Corporation	231,384	4,946,081	4,481,908	Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd.	12,000	62,769	58,997
MGIC Investment Corporation	3,200	50,464	45,659	H Lundbeck AS	15,800	1,272,607	945,433
Muenchener Rueckversicherungs AG	700	202,429	208,428	Hartalega Holdings Berhad	282,500	478,638	573,892
National Health Investors Inc.	1,200	119,144	123,654	HCA Healthcare Inc.	3,400	560,690	577,195
New Residential Investment Corporation	26,000	599,089	503,983	Hogy Medical Co., Ltd.	700	27,056	27,268
North Pacific Bank Ltd.	160,600	749,622	583,349	Jeol Ltd.	23,200	550,861	474,952
Oita Bank Ltd., The	1,800	91,394	74,893	Johnson & Johnson	32,900	5,756,473	5,791,653
OTP Bank PLC	1,500	76,501	82,587	Koninklijke Philips NV	32,700	1,799,113	1,566,128

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

Scotia Balanced Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Information Technology (cont'd)				Materials (cont'd)			
Kinaxis Inc.	12,306	1,026,354	810,965	Kumba Iron Ore Ltd.	29,600	802,812	795,287
Kingboard Chemical Holdings Ltd.	33,500	125,051	120,777	Lundin Mining Corporation	280,400	1,685,674	1,581,456
Malaysian Pacific Industries Berhad	86,300	157,777	283,770	LyondellBasell Industries NV, Class A – ADR	800	92,115	90,751
MasterCard, Inc., Class A	12,000	2,356,648	3,088,067	Maanshan Iron & Steel Co., Ltd.	390,000	256,162	232,726
Micro Focus International PLC	3,700	69,003	88,266	Major Drilling Group International Inc.	202,300	1,461,159	930,580
Micro Focus International PLC – ADR	57,100	1,295,856	1,340,496	Methanex Corporation	18,700	1,410,776	1,227,842
Micron Technology, Inc.	14,600	736,182	631,934	Mitsubishi Chemical Holdings Corporation	1,900	18,988	19,503
Microsoft Corporation	47,500	5,969,726	6,581,239	Mitsubishi Gas Chemical Co., Inc.	12,200	349,086	248,680
Nemetschek SE	2,900	473,215	434,310	Norbord Inc.	33,100	1,521,982	1,201,530
Net 1 UEPS Technologies Inc.	27,600	323,507	176,576	Northern Star Resources Ltd.	35,900	305,074	320,761
Nice Ltd.	16,600	2,150,914	2,450,327	Nutrien Ltd.	114,061	7,542,067	7,313,591
Nihon Unisys Ltd.	43,800	1,310,695	1,326,303	PT Indah Kiat Pulp & Paper Corporation Tbk	797,100	622,219	873,306
Nokia Corporation – ADR	7,800	58,303	61,925	Resolute Forest Products Inc.	42,500	603,363	459,738
Nokia Oyj	142,600	1,107,377	1,124,167	Rio Tinto PLC – ADR	11,100	728,135	734,065
Nomura Research Institute Ltd.	1,500	73,717	75,233	Sanyo Chemical Industries Ltd.	400	25,624	25,350
NSD Co., Ltd.	27,300	728,275	723,146	Sasol Ltd.	1,700	81,914	68,616
NXP Semiconductors NV	100	10,398	9,996	Sasol Ltd. – ADR	8,300	391,773	331,624
OBIC Business Consultants Co., Ltd.	600	34,905	31,870	Sheritt International Corporation	940,320	2,711,583	423,144
Obic Co., Ltd.	800	87,179	83,536	Sherwin-Williams Company, The	100	52,685	53,672
Open Text Corporation	26,363	1,109,355	1,173,154	Sinopec Shanghai Petrochemical Co., Ltd.	494,000	306,055	293,185
Oracle Corporation	8,100	625,738	600,300	Sinopec Shanghai Petrochemical Co., Ltd. – ADR	1,900	153,808	111,862
Progress Software Corporation	23,251	1,187,450	1,125,632	Soda Sanayii A.S.	51,000	72,638	93,360
SAP AG – ADR	27,000	4,057,519	3,666,517	Sumitomo Seika Chemicals Co., Ltd.	500	33,812	26,375
SimCorp A/S	600	56,046	56,125	Teck Resources Ltd., Class B	156,302	4,687,772	4,593,716
SK Hynix Inc.	20,045	1,386,713	1,482,184	Tokuyama Corporation	30,700	1,122,548	918,162
Software AG	7,600	400,396	375,255	West Fraser Timber Co., Ltd.	10,100	833,894	681,144
Systema Corporation	35,700	598,230	561,200	Western Forest Products Inc.	116,700	298,977	220,563
Telefonaktiebolaget LM Ericsson	34,600	362,455	418,647			50,001,342	43,445,722
Telefonaktiebolaget LM Ericsson, Class B	183,600	1,980,986	2,208,815	Real Estate – 2.0%			
Texas Instruments Incorporated	11,100	1,412,577	1,430,881	Agile Property Holdings Ltd.	462,000	897,791	733,253
Wipro Ltd.	49,937	341,046	349,453	Apartment Investment & Management Company	500	30,648	29,929
Wirecard AG	8,800	2,106,665	1,827,804	Aroundtown SA	2,100	23,592	23,780
Workiva Inc.	2,700	130,546	132,186	Brookfield Property Partners LP	4,900	100,844	107,898
Worldline SA	8,300	459,719	547,072	Charter Hall Group	8,800	62,887	62,768
		<u>72,687,375</u>	<u>71,392,594</u>	China Jinmao Holdings Group Ltd.	46,000	28,139	28,002
Materials – 5.1%				China Vanke Co., Ltd.	26,400	107,781	121,239
Agrico-Eagle Mines Limited	41,106	2,002,909	2,264,941	Cofinimmo S.A.	100	16,786	16,942
Alexandria Mineral Oils Company	674,850	330,819	320,987	Colliers International Group Inc.	13,100	1,342,758	986,299
Anglo American Platinum Ltd.	900	46,289	45,879	Cominar Real Estate Investment Trust	64,400	682,751	721,280
Anglo American PLC	1,200	19,887	36,207	CoreCivic Inc.	50,400	1,463,653	1,225,831
AngloGold Ashanti Ltd. – ADR	102,700	1,678,266	1,758,178	Country Garden Holdings Co., Ltd.	157,000	316,463	257,988
Anhui Conch Cement Co., Ltd.	239,500	1,816,158	1,567,683	Deutsche Wohnen AG-Br	400	25,341	25,016
Barick Gold Corporation	155,500	3,282,311	2,865,865	Dexus Property Group	68,700	673,012	701,225
CCL Industries Inc., Class B	10,402	611,498	520,724	Fabege AB	39,100	708,283	710,493
Celanese Corporation – Series A	800	98,815	98,183	Fastighets AB Balder, Series B	18,900	626,015	735,869
China National Building Material Co., Ltd.	706,000	1,021,562	652,420	Future Land Development Holdings Ltd.	38,000	32,378	35,115
China Oriental Group Co., Ltd.	168,000	134,080	135,128	Guangzhou R&F Properties Co., Ltd.	267,200	716,903	545,939
China Resources Cement Holdings Ltd.	354,000	438,165	429,252	H&R Real Estate Investment Trust	63,200	1,269,362	1,305,080
Covestro AG	24,100	2,710,495	1,626,746	Hemfosa Fastigheter AB	1,700	27,574	18,333
Detour Gold Corporation	67,200	722,584	774,816	Host Hotels & Resorts Inc.	12,300	308,517	279,698
Ence Energia y Celulosa S.A.	2,200	18,771	18,857	KSL Holdings Berhad	64,400	45,114	15,107
Eregli Demir ve Celik Fabrikalari TAS (Erdemir)	432,300	1,076,292	798,930	KWG Group Holdings Ltd.	51,000	58,131	60,923
Evonik Industries AG	400	16,072	13,631	Longfor Properties Co., Ltd.	181,500	586,622	741,214
Evraz PLC	19,200	123,610	160,519	Merlin Properties Sociimi S.A.	5,000	84,662	84,289
Ezz Steel	275,600	367,527	383,313	Outfront Media Inc.	3,400	89,551	84,040
Ferrexpo PLC	11,400	60,338	38,453	Public Storage Real Estate Investment Trust	10,400	2,889,792	2,871,534
Goldcorp, Inc.	185,300	3,286,175	2,477,461	Ryman Hospitality Properties Inc.	500	54,717	45,486
Hokuetsu Kishu Paper Co., Ltd.	2,200	16,997	13,567	Safestore Holdings PLC	27,900	116,236	245,366
Huntsman Corporation	13,000	330,380	342,077	Senior Housing Properties Trust	700	12,880	11,191
Ingevity Corporation	100	11,240	11,416	Simon Property Group Inc.	13,400	3,023,875	3,070,696
Israel Chemicals Limited	2,200	15,881	17,071	Warehouses De Pauw SCA	1,500	268,017	270,139
Israel Corporation Ltd.	86	31,887	31,045	Weyerhaeuser Company	22,000	755,285	656,027
Kirkland Lake Gold Ltd.	60,300	1,534,655	2,146,680			<u>17,446,360</u>	<u>16,827,989</u>
Koza Altin Isletmeleri A.S.	1,900	24,984	25,104				

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

Scotia Balanced Opportunities Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				MONEY MARKET INSTRUMENTS (cont'd)			
Utilities – 1.9%				Bankers' Acceptances (cont'd)			
AZA SpA	6,300	14,031	15,462	Canadian Imperial Bank of Commerce 0.00% Feb 19, 2019	1,750,000	1,740,879	1,745,033
Beijing Enterprises Holdings Ltd.	18,000	117,904	129,399	Canadian Imperial Bank of Commerce 0.00% Feb 25, 2019	1,150,000	1,143,663	1,146,317
CEZ AS	17,600	562,187	573,297	Canadian Imperial Bank of Commerce 0.00% Jan 15, 2019	950,000	945,523	949,271
China Longyuan Power Group Corporation Ltd., Class H	140,000	135,440	128,962	Canadian Imperial Bank of Commerce 0.00% Jan 31, 2019	400,000	398,337	399,306
Cia de Transmissao de Energia Eletrica Paulista, Preference	9,200	227,169	224,355	National Bank of Canada 0.00% Feb 05, 2019	350,000	348,341	349,309
Clearway Energy Inc.	21,300	522,318	501,207	Royal Bank of Canada 0.00% Jan 10, 2019	650,000	646,932	649,682
EDP – Energias do Brasil S.A.	9,000	43,106	46,859	Royal Bank of Canada 0.00% Jan 24, 2019	500,000	499,065	499,307
Electricite de France SA	41,600	920,229	894,325	Toronto-Dominion Bank, The 0.00% Feb 12, 2019	600,000	596,892	598,550
Enel Americas S.A. – ADR	46,200	545,213	562,154	Toronto-Dominion Bank, The 0.00% Jan 02, 2019	750,000	746,448	749,961
Engie Brasil Energia S.A.	140,700	1,665,539	1,637,986	Toronto-Dominion Bank, The 0.00% Jan 09, 2019	450,000	447,845	449,807
Eversource Inc.	27,700	2,212,765	2,145,099	Toronto-Dominion Bank, The 0.00% Jan 15, 2019	1,450,000	1,442,919	1,448,887
Exelon Corporation	900	50,943	55,369	Toronto-Dominion Bank, The 0.00% Jan 18, 2019	600,000	597,066	599,433
Hera SpA	39,200	165,507	162,907	Toronto-Dominion Bank, The 0.00% Jan 24, 2019	200,000	198,966	199,742
National Grid PLC -Sponsored ADR	800	52,565	52,360	Toronto-Dominion Bank, The 0.00% Jan 25, 2019	100,000	99,484	99,864
NextEra Energy, Inc.	12,700	2,824,399	3,011,287			11,745,151	11,779,433
Northland Power Inc.	83,504	1,915,640	1,812,037	Treasury Bills – 0.5%			
PG&E Corporation	12,600	429,968	408,209	Government of Canada 0.00% Jan 10, 2019 (pledged as collateral)	3,050,000	3,041,483	3,048,758
PGE Polska Grupa Energetyczna SA	118,600	473,785	434,311	United States Treasury Bills 0.00% Feb 21, 2019	USD 600,000	815,884	815,759
Shizuoka Gas Co., Ltd.	21,500	233,488	227,164	United States Treasury Bills 0.00% Jan 31, 2019	USD 500,000	675,718	680,736
Tokyo Electric Power Company Holdings Inc.	4,700	31,022	37,923			4,533,085	4,545,253
TransAlta Corporation	252,700	1,798,028	1,412,593	TOTAL MONEY MARKET INSTRUMENTS		16,278,236	16,324,686
Transmissora Alianca de Energia Eletrica S.A.	6,500	53,221	53,951	Transaction Costs		(294,203)	
Verbund AG	29,200	1,635,349	1,700,116	TOTAL INVESTMENT PORTFOLIO		863,011,757	849,087,943
West Holdings Corporation	15,500	227,423	242,738	Unrealized Gain (Loss) on Derivatives – 0.1%			1,000,258
		16,857,239	16,470,070	OTHER ASSETS, LESS LIABILITIES – 0.9%			6,928,240
TOTAL EQUITIES		603,367,403	588,721,490	NET ASSETS – 100.0%			857,016,441
MONEY MARKET INSTRUMENTS – 1.9%							
Bankers' Acceptances – 1.4%				Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.			
Bank of Montreal 0.00% Feb 28, 2019	400,000	398,006	398,643	† Investment in related party (note 10)			
Bank of Montreal 0.00% Jan 22, 2019	700,000	698,621	699,122				
Bank of Montreal 0.00% Jan 28, 2019	100,000	99,499	99,846				
Bank of Montreal 0.00% Mar 06, 2019	700,000	696,665	697,353				

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, 2019	US Dollar	26,000	Canadian Dollar	34,990	1.346	1.362	435
Toronto-Dominion Bank, The	A-1+	Mar. 20, 2019	US Dollar	107,000	Canadian Dollar	144,775	1.353	1.362	1,011
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	1,378	New Zealand Dollar	2,000	1.451	1.488	46
Royal Bank of Canada	A-1+	Mar. 20, 2019	South African Rand	8,887,000	US Dollar	612,305	0.069	0.069	379
Royal Bank of Canada	A-1+	Mar. 20, 2019	Swiss Franc	2,359,000	US Dollar	2,401,453	1.018	1.026	24,940
Royal Bank of Canada	A-1+	Mar. 20, 2019	British Pound	4,832,000	US Dollar	6,082,899	1.259	1.28	139,879
Bank of Nova Scotia, The	A-1	Mar. 20, 2019	US Dollar	1,695,144	Russian Ruble	113,773,000	67.117	70.452	109,445
Royal Bank of Canada	A-1+	Mar. 20, 2019	Japanese Yen	738,728,001	US Dollar	6,573,541	0.009	0.009	282,032
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	260,455	Australian Dollar	360,000	1.382	1.418	8,852
Royal Bank of Canada	A-1+	Mar. 20, 2019	Swedish Krona	3,505,000	US Dollar	390,084	0.111	0.114	10,913
Royal Bank of Canada	A-1+	Mar. 20, 2019	Danish Krone	2,784,000	US Dollar	426,940	0.153	0.155	4,620
Royal Bank of Canada	A-1+	Mar. 20, 2019	Indian Rupee	63,681,000	US Dollar	880,606	0.014	0.014	39,494
Royal Bank of Canada	A-1+	Mar. 20, 2019	Japanese Yen	182,707,000	US Dollar	1,620,798	0.009	0.009	76,552
Royal Bank of Canada	A-1+	Mar. 20, 2019	Danish Krone	3,414,000	US Dollar	526,061	0.154	0.155	2,270
Royal Bank of Canada	A-1+	Mar. 20, 2019	Swedish Krona	5,768,000	US Dollar	646,830	0.112	0.114	11,331
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	456,999	South African Rand	6,605,000	14.453	14.51	2,466
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	552,535	Canadian Dollar	752,000	1.361	1.362	819
Royal Bank of Canada	A-1+	Mar. 20, 2019	Danish Krone	2,229,000	US Dollar	343,663	0.154	0.155	1,214
Royal Bank of Canada	A-1+	Mar. 20, 2019	Swedish Krona	4,420,000	US Dollar	495,057	0.112	0.114	9,506
Royal Bank of Canada	A-1+	Mar. 20, 2019	European Euro	1,785,000	US Dollar	2,054,353	1.151	1.154	6,705
Royal Bank of Canada	A-1+	Mar. 20, 2019	European Euro	287,000	US Dollar	330,191	1.15	1.154	1,236
									734,145

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

Scotia Balanced Opportunities Fund (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 (\$)
Toronto-Dominion Bank, The	A-1+	Mar. 20, 2019	Canadian Dollar	4,657,891	US Dollar	3,481,000	0.747	0.734	(84,939)
Royal Bank of Canada	A-1+	Mar. 20, 2019	Canadian Dollar	261,198	US Dollar	196,000	0.75	0.734	(5,850)
Toronto-Dominion Bank, The	A-1+	Mar. 20, 2019	Canadian Dollar	11,996	US Dollar	9,000	0.75	0.734	(266)
Royal Bank of Canada	A-1+	Mar. 20, 2019	Canadian Dollar	592,562	US Dollar	444,000	0.749	0.734	(12,383)
Royal Bank of Canada	A-1+	Mar. 20, 2019	Canadian Dollar	421,634	US Dollar	315,000	0.747	0.734	(7,551)
Toronto-Dominion Bank, The	A-1+	Mar. 20, 2019	Canadian Dollar	88,724	US Dollar	66,000	0.744	0.734	(1,201)
Toronto-Dominion Bank, The	A-1+	Mar. 20, 2019	Canadian Dollar	1,882,693	US Dollar	1,407,000	0.747	0.734	(34,332)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	3,093,203	China Renminbi	21,456,000	6.937	6.881	(33,755)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	1,827,661	Danish Krone	11,937,000	6.531	6.469	(23,948)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	13,527,259	European Euro	11,842,000	0.875	0.867	(183,452)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	868,654	Indian Rupee	63,681,000	73.31	70.189	(52,689)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	3,945,688	Swedish Krona	35,579,000	9.017	8.803	(130,889)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	4,301,766	Turkish Lira	24,427,000	5.678	5.524	(164,253)
Royal Bank of Canada	A-1+	Mar. 20, 2019	Australian Dollar	3,827,000	US Dollar	2,760,488	0.721	0.705	(82,704)
Royal Bank of Canada	A-1+	Mar. 20, 2019	Canadian Dollar	4,102,000	US Dollar	3,065,307	0.747	0.734	(74,452)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	78,290	South Korean Won	88,045,000	1124.6	1110.88	(1,319)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	3,426,235	European Euro	2,995,000	0.874	0.867	(39,563)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	475,406	British Pound	375,000	0.789	0.781	(6,367)
Toronto-Dominion Bank, The	A-1+	Mar. 20, 2019	Russian Ruble	55,169,000	US Dollar	823,049	0.015	0.014	(55,462)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	592,360	European Euro	515,000	0.869	0.867	(2,428)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	205,220	Japanese Yen	22,752,000	110.867	108.888	(5,087)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	582,627	Australian Dollar	827,000	1.419	1.418	(1,078)
Royal Bank of Canada	A-1+	Mar. 20, 2019	US Dollar	761,838	Japanese Yen	83,640,000	109.787	108.888	(8,583)
Royal Bank of Canada	A-1+	Mar. 20, 2019	Hong Kong Dollar	6,020,000	US Dollar	770,906	0.128	0.128	(472)
									<u>(1,013,023)</u>

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
INDEX FUTURES CONTRACTS							
Mar. 2019	(94)	mini MSCI EAFE Index Futures	BMO Capital Markets	A-1	(11,180,676)	(11,001,801)	178,875
Mar. 2019	(59)	E-mini MSCI Emerging Markets Index Futures	BMO Capital Markets	A-1	(3,922,307)	(3,890,517)	31,791
Mar. 2019	(109)	S&P 500 Composite Stock Index - E-Mini Futures	BMO Capital Markets	A-1	(19,368,807)	(18,624,625)	744,182
							<u>954,848</u>
BOND FUTURES CONTRACTS							
Mar. 2019	253	Canada 10 Year Bond Future	BMO Capital Markets	A-1	33,471,900	34,602,810	1,130,910
Mar. 2019	8	Canada 10 Year Bond Future	BMO Capital Markets	A-1	1,066,664	1,094,160	27,496
							<u>1,158,406</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Mar. 2019	10	S&P/TSX 60 Index	BMO Capital Markets	A-1	1,750,160	1,714,600	(35,560)
							<u>(35,560)</u>
CURRENCY FUTURES CONTRACTS							
Mar. 2019	207	CME Canadian Dollar Currency Future	BMO Capital Markets	A-1	21,185,224	20,757,039	(428,185)
							<u>(428,185)</u>
BOND FUTURES CONTRACTS							
Mar. 2019	(10)	U.S. 5 Year Treasury Note Futures	BMO Capital Markets	A-1	(1,537,925)	(1,564,461)	(26,536)
Mar. 2019	(90)	Canada 10 Year Bond Future	BMO Capital Markets	A-1	(11,970,430)	(12,309,300)	(338,870)
Mar. 2019	(2)	U.S. 5 Year Treasury Note Futures	BMO Capital Markets	A-1	(307,585)	(312,892)	(5,307)
							<u>(370,713)</u>

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

Scotia Balanced Opportunities Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	20,167,365	20,804,203
1-3 years	21,957,165	10,091,962
3-5 years	77,926,132	39,984,338
5-10 years	58,317,414	98,562,405
> 10 years	82,786,069	67,818,602
	261,154,146	237,261,510

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$5,103,812 or approximately 0.6% (December 31, 2017 – \$4,341,860 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross Currency Exposure (\$)	Currency Contracts (\$)	Net Exposure (\$)	Percentage of net assets (%)
US Dollar	253,371,417	779,402	254,150,819	29.7
European Euro	51,638,031	(20,928,747)	30,709,284	3.6
Japanese Yen	19,084,251	9,779,004	28,863,255	3.4
Hong Kong Dollar	15,567,843	1,049,203	16,617,046	1.9
British Pound	6,405,885	7,611,505	14,017,390	1.6
Australian Dollar	5,969,447	2,619,345	8,588,792	1.0
Swiss Franc	3,542,057	3,249,266	6,791,323	0.8
Polish Zloty	4,829,959	–	4,829,959	0.6
South Korean Won	5,435,135	(108,115)	5,327,020	0.6
Brazilian Real	2,391,172	–	2,391,172	0.3
Indonesian Rupiah	2,457,737	–	2,457,737	0.3
Swedish Krona	6,292,658	(3,436,189)	2,856,469	0.3
Danish Krone	2,468,082	(760,582)	1,707,500	0.2
Hungary Forint	1,622,982	–	1,622,982	0.2
Malaysian Ringgit	1,314,101	–	1,314,101	0.2
Chile Peso	747,885	–	747,885	0.1
Czech Koruna	573,296	–	573,296	0.1
Egyptian Pound	978,099	–	978,099	0.1
New Zealand Dollar	778,308	(1,834)	776,474	0.1
South African Rand	909,758	222,230	1,131,988	0.1
Turkish Lira	6,825,246	(6,032,325)	792,921	0.1
Indian Rupee	–	(28,309)	(28,309)	0.0
Israel Shekel	420,320	–	420,320	0.0
Mexican Peso	153	–	153	0.0
Philippines Peso	145,257	–	145,257	0.0
Singapore Dollar	201,179	–	201,179	0.0
Thai Baht	21,341	–	21,341	0.0
Russian Ruble	–	(1,067,429)	(1,067,429)	(0.1)
China Renminbi	–	(4,253,216)	(4,253,216)	(0.5)
Total	393,991,599	(11,306,791)	382,684,808	44.7

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$38,268,481 or approximately 4.5% of net assets (December 31, 2017 – \$42,370,866 or approximately 4.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Scotia Balanced Opportunities Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 68.8% (December 31, 2017 – 72.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$58,964,078 (December 31, 2017 – \$65,561,515). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	3.8	1.1	6.1	1.7
A-1	2.5	0.8	1.3	0.3
AAA	34.5	10.4	20.8	5.4
AA	14.1	4.3	19.8	5.2
A	30.3	9.2	31.9	8.6
BBB	11.0	3.3	15.8	4.1
BB	3.4	1.0	3.9	1.0
B	0.4	0.1	0.4	0.1
	100.0	30.2	100.0	26.4

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Bankers' Acceptances	1.4	1.3
Communication Services	4.2	–
Consumer Discretionary	5.4	6.4
Consumer Staples	4.4	4.9
Corporate Bonds	9.6	8.1
Energy	7.0	7.7
Federal Bonds	10.3	5.3
Financials	16.2	16.9
Health Care	5.6	5.5
Industrials	8.5	8.8
Information Technology	8.3	10.4
Materials	5.1	7.0
Municipal Bonds	0.1	–
Provincial Bonds	8.5	11.0
Real Estate	2.0	1.3
Telecommunication Services	–	2.3
Treasury Bills	0.5	0.7
Utilities	1.9	1.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	448,381,147	140,333,336	–	588,714,483
Bonds and debentures	–	244,041,767	–	244,041,767
Money market instruments	–	16,324,686	–	16,324,686
Warrants, rights and options	7,007	–	–	7,007
Unrealized gain on currency forward contracts	–	734,145	–	734,145
Unrealized gain on currency spot contracts	–	340	–	340
Unrealized gain on futures contracts	2,113,254	–	–	2,113,254
	450,501,408	401,434,274	–	851,935,682
Unrealized loss on currency forward contracts	–	(1,013,023)	–	(1,013,023)
Unrealized loss on futures contracts	(834,458)	–	–	(834,458)
	449,666,950	400,421,251	–	850,088,201

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	484,518,333	171,349,488	–	655,867,821
Bonds and debentures	–	219,350,521	–	219,350,521
Money market instruments	–	17,467,710	–	17,467,710
Warrants, rights and options	12,904	–	–	12,904
Unrealized gain on currency forward contracts	–	428,785	–	428,785
Unrealized gain on futures contracts	1,122,829	–	–	1,122,829
	485,654,066	408,596,504	–	894,250,570
Unrealized loss on currency forward contracts	–	(352,010)	–	(352,010)
Unrealized loss on currency spot contracts	–	(351)	–	(351)
Unrealized loss on futures contracts	(510,168)	–	–	(510,168)
	485,143,898	408,244,143	–	893,388,041

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	–	–
Purchases	–	–
Sales/Return of Capital	(2,137)	–
Transfer into Level 3	–	–
Transfers out of Level 3	–	–
Net realized gains (losses)	(230)	–
Net change in unrealized gain (loss)*	2,367	–
End of period	–	–

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was nil and nil, respectively.

Scotia Balanced Opportunities Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

Below is a summary of 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, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	734,145	(624,700)	–	109,445
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	734,145	(624,700)	–	109,445

December 31, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	1,013,023	(624,700)	–	388,323
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,013,023	(624,700)	–	388,323

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	428,785	(347,696)	–	81,089
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	428,785	(347,696)	–	81,089

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	352,010	(347,696)	–	4,314
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	352,010	(347,696)	–	4,314

Interest in Underlying Funds (note 2)

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

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

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

Scotia Global Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	93,898,865	108,843,294
Derivatives	7,274	281,136
Cash	10,057,514	4,819,544
Cash collateral deposited on derivatives	163,693	–
Subscriptions receivable	94,160	213,167
Accrued investment income and other	83,496	105,674
	<u>104,305,002</u>	<u>114,262,815</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	455,147	40,937
Payable for securities purchased	–	179,732
Redemptions payable	92,297	144,690
Distributions payable	50	2
	<u>547,494</u>	<u>365,361</u>
Net assets attributable to holders of redeemable units	<u>103,757,508</u>	<u>113,897,454</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	103,459,940	113,612,272
Series D	297,568	285,182
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.66	14.58
Series D	8.90	9.52

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,778,462	3,287,563
Interest for distribution purposes	1,807,524	101,892
Net realized gain (loss) on non-derivative financial assets	2,120,653	3,679,682
Change in unrealized gain (loss) on non-derivative financial assets	(7,477,573)	3,733,628
Net realized gain (loss) on derivatives	(141,852)	125,508
Change in unrealized gain (loss) on derivatives	(688,072)	328,865
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(2,600,858)	11,257,138
Securities lending (note 11)	901	247
Net realized and unrealized foreign currency translation gain (loss)	109,286	(35,863)
Other income	2,408	2,975
Total income (loss), net	<u>(2,488,263)</u>	<u>11,224,497</u>
EXPENSES		
Management fees (note 5)	1,845,925	1,801,604
Fixed administration fees (note 6)	168,032	163,095
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,494	691
Foreign withholding taxes/tax reclaims	190,634	221,216
Harmonized Sales Tax/Goods and Services Tax	203,453	199,006
Transaction costs	52,386	68,011
Total expenses	<u>2,463,173</u>	<u>2,454,758</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(4,951,436)</u>	<u>8,769,739</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(4,939,870)	8,756,144
Series D	(11,566)	13,595
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.64)	1.18
Series D	(0.34)	0.64
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,725,326	7,392,296
Series D	34,374	21,343

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

Scotia Global Balanced Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	113,612,272	104,987,374
Series D	285,182	118,916
	<u>113,897,454</u>	<u>105,106,290</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(4,939,870)	8,756,144
Series D	(11,566)	13,595
	<u>(4,951,436)</u>	<u>8,769,739</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,177,979)	(925,635)
Series D	(6,315)	(3,894)
From net realized gains on investments		
Series A	(832,346)	(3,484,356)
Series D	(2,547)	(8,611)
	<u>(2,019,187)</u>	<u>(4,422,496)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	17,958,332	20,120,651
Series D	88,305	226,312
Reinvested distributions		
Series A	1,995,993	4,380,773
Series D	8,698	12,505
Payments on redemption		
Series A	(23,156,462)	(20,222,679)
Series D	(64,189)	(73,641)
	<u>(3,169,323)</u>	<u>4,443,921</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(10,152,332)	8,624,898
Series D	12,386	166,266
	<u>(10,139,946)</u>	<u>8,791,164</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	103,459,940	113,612,272
Series D	297,568	285,182
	<u>103,757,508</u>	<u>113,897,454</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(4,951,436)	8,769,739
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,120,653)	(3,679,682)
Change in unrealized (gain) loss on non-derivative financial assets	7,477,573	(3,733,628)
Change in unrealized (gain) loss on derivatives	688,072	(328,865)
Unrealized foreign currency translation (gain) loss	31,860	(8,312)
Other non-cash transactions	(1,775,728)	(1,636,071)
Purchases of non-derivative financial assets and liabilities	(40,243,705)	(94,914,058)
Proceeds from sale of non-derivative financial assets and liabilities	51,427,210	97,628,364
Cash collateral deposited on derivatives	(163,693)	-
Accrued investment income and other	22,178	3,430
Accrued expenses and other payables	-	(6,797)
Net cash provided by (used in) operating activities	<u>10,391,678</u>	<u>2,094,120</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	18,153,118	20,239,210
Amounts paid on redemption of redeemable units	(23,260,519)	(20,197,648)
Distributions to unitholders of redeemable units	(14,447)	(29,216)
Net cash provided by (used in) financing activities	<u>(5,121,848)</u>	<u>12,346</u>
Unrealized foreign currency translation gain (loss)	(31,860)	8,312
Net increase (decrease) in cash	5,269,830	2,106,466
Cash (bank overdraft), beginning of period	4,819,544	2,704,766
CASH (BANK OVERDRAFT), END OF PERIOD	<u>10,057,514</u>	<u>4,819,544</u>
Interest paid ⁽¹⁾	1,494	691
Interest received, net of withholding taxes ⁽¹⁾	65,857	25,592
Dividends received, net of withholding taxes ⁽¹⁾	1,575,944	1,510,007

⁽¹⁾ Classified as operating items.

Scotia Global Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 90.4%				EQUITIES (cont'd)			
Belgium – 1.3%				United Kingdom – 3.3%			
Anheuser-Busch InBev NV	10,000	1,341,885	902,989	British American Tobacco PLC	23,100	1,632,301	1,005,442
Shurgard Self Storage Europe S.a.r.l.	12,100	420,615	458,417	Kingfisher PLC	153,800	664,913	555,370
		<u>1,762,500</u>	<u>1,361,406</u>	Lloyds Banking Group PLC	938,600	1,066,713	846,518
				Prudential PLC	39,700	1,116,302	968,157
Canada – 44.8%					<u>4,480,229</u>	<u>3,375,487</u>	
Canadian Imperial Bank of Commerce	8,600	866,136	874,448	United States – 25.5%			
Hydro One Limited	51,300	1,009,259	1,038,825	Allergan PLC	7,100	1,866,891	1,294,519
Scotia Private Global Credit Pool Series I†	4,696,559	46,564,285	43,774,751	American Tower Corporation	1,300	184,202	280,525
TransCanada Corporation	16,696	1,027,340	813,930	Anthem, Inc.	4,300	924,072	1,540,492
		<u>49,467,020</u>	<u>46,501,954</u>	Apple Inc.	4,100	691,603	882,215
France – 2.4%				Bank of America Corporation	33,600	1,245,609	1,129,350
Danone	10,135	853,798	974,601	Broadcom Ltd.	3,400	1,043,639	1,179,342
Gecina SA	1,713	369,836	301,715	Cisco Systems, Inc.	10,500	588,437	620,621
Sanofi	3,200	375,305	377,312	Citigroup Inc.	15,000	1,288,412	1,065,232
Thales SA	5,300	717,754	841,193	Coca-Cola Company, The	8,400	472,300	542,560
		<u>2,316,693</u>	<u>2,494,821</u>	Comcast Corporation, Class A	28,800	1,248,030	1,337,698
Germany – 2.7%				DowDuPont Inc.	20,900	1,757,130	1,524,707
Bayer AG	13,182	1,842,244	1,247,134	Equinix Inc.	1,200	635,477	577,116
Siemens AG	10,100	1,705,105	1,536,919	Johnson & Johnson	4,400	703,084	774,568
		<u>3,547,349</u>	<u>2,784,053</u>	MasterCard, Inc., Class A	4,500	1,185,185	1,158,025
Hong Kong – 1.3%				McDonald's Corporation	4,100	721,783	993,121
CK Hutchison Holdings Ltd.	106,200	1,690,512	1,384,430	Medtronic PLC	7,300	754,539	905,778
Japan – 2.4%				Merck & Co., Inc.	3,100	238,462	323,118
Komatsu Ltd.	8,700	334,289	252,859	Microsoft Corporation	12,100	1,077,701	1,676,484
Mitsubishi Electric Corporation	18,600	329,339	278,217	Mondelez International, Inc.	19,300	1,002,942	1,053,881
Murata Manufacturing Co., Ltd.	1,400	289,286	263,198	Morgan Stanley	14,800	980,825	800,486
Omron Corporation	5,400	302,006	265,559	Oracle Corporation	18,800	1,025,570	1,157,882
Sony Corporation	22,000	1,391,538	1,445,528	Pfizer Inc.	6,600	284,196	392,986
		<u>2,646,458</u>	<u>2,505,361</u>	Philip Morris International Inc.	10,600	1,267,281	965,319
Netherlands – 2.9%				Sempra Energy	7,400	1,103,617	1,092,113
Heineken NV	5,000	598,705	601,272	Texas Instruments Incorporated	5,300	627,868	683,213
ING Groep NV	36,400	745,855	532,241	United Technologies Corporation	9,700	1,385,497	1,408,927
Koninklijke Philips NV	21,300	1,026,763	1,024,221	Visa Inc., Class A	6,100	724,857	1,097,880
Unilever NV	12,000	851,427	889,614		<u>25,029,209</u>	<u>26,458,158</u>	
		<u>3,222,750</u>	<u>3,047,348</u>	TOTAL EQUITIES		<u>98,224,141</u>	<u>93,898,865</u>
Spain – 0.9%				Transaction Costs		<u>(36,394)</u>	
Ferrovial S.A.	34,624	891,386	952,783	TOTAL INVESTMENT PORTFOLIO		<u>98,187,747</u>	<u>93,898,865</u>
Sweden – 1.1%				Unrealized Gain (Loss) on Derivatives – (0.4%)			(447,873)
Assa Abloy AB, Class B	48,100	1,250,427	1,173,839	OTHER ASSETS, LESS LIABILITIES – 10.0%			<u>10,306,516</u>
Switzerland – 1.8%				NET ASSETS – 100.0%			<u>103,757,508</u>
Novartis AG	8,100	845,121	946,437				
UBS Group AG	53,600	1,074,487	912,788				
		<u>1,919,608</u>	<u>1,859,225</u>				

† Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contract Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	266,809	1.334	1.364	5,988
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	25,000	Canadian Dollar	33,350	1.334	1.364	749
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	50,000	Canadian Dollar	67,662	1.353	1.364	537
									<u>7,274</u>

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

Scotia Global Balanced Fund (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 (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	845,718	US Dollar	650,000	0.769	0.733	(40,867)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	586,215	US Dollar	450,000	0.768	0.733	(27,575)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	715,886	US Dollar	550,000	0.768	0.733	(34,302)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	590,200	US Dollar	450,000	0.762	0.734	(23,272)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	393,705	US Dollar	300,000	0.762	0.734	(15,276)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	394,170	US Dollar	300,000	0.761	0.734	(14,811)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	109,066	Swiss Franc	80,000	0.734	0.716	(2,699)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	372,003	British Pound	221,000	0.594	0.573	(13,411)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	40,570	Japanese Yen	3,400,000	83.805	79.952	(1,955)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	178,580	Swiss Franc	131,000	0.734	0.716	(4,434)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	230,220	Swiss Franc	169,000	0.734	0.716	(5,883)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	163,623	Swiss Franc	120,000	0.733	0.716	(4,024)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	2,144,786	European Euro	1,400,000	0.653	0.636	(55,089)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	976,437	British Pound	579,000	0.593	0.573	(33,312)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	261,837	Japanese Yen	21,950,000	83.831	79.952	(12,704)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	205,165	Japanese Yen	17,200,000	83.835	79.952	(9,965)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	189,904	Japanese Yen	15,950,000	83.99	79.952	(9,592)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	669,155	US Dollar	500,000	0.747	0.734	(12,155)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	970,072	US Dollar	725,000	0.747	0.734	(17,828)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	802,431	US Dollar	600,000	0.748	0.734	(15,141)
									<u>(354,295)</u>

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
25,400	12/2/2019	669,323	2.95%	(63,044)
16,500	12/12/2019	432,830	3.04%	(37,808)
				<u>(100,852)</u>

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

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 may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	27,518,256	(5,800,924)	21,717,332	20.9
European Euro	10,801,031	(2,199,874)	8,601,157	8.3
British Pound	3,747,947	(1,395,162)	2,352,785	2.3
Japanese Yen	2,587,036	(731,693)	1,855,343	1.8
Hong Kong Dollar	1,459,830	-	1,459,830	1.4
Swedish Krona	1,194,445	-	1,194,445	1.2
Swiss Franc	1,882,607	(698,529)	1,184,078	1.1
Danish Krone	22,623	-	22,623	0.0
	49,213,775	(10,826,182)	38,387,593	37.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	33,312,320	(8,072,635)	25,239,685	22.2
European Euro	10,125,970	(3,106,943)	7,019,027	6.2
British Pound	9,247,291	(4,572,342)	4,674,949	4.1
Japanese Yen	2,522,831	(643,541)	1,879,290	1.6
Swedish Krona	1,441,185	-	1,441,185	1.3
Hong Kong Dollar	1,341,228	-	1,341,228	1.2
Danish Krone	722,815	-	722,815	0.6
Swiss Franc	987,977	(361,079)	626,898	0.6
	59,701,616	(16,756,540)	42,945,076	37.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$3,838,759 or approximately 3.7% of net assets (December 31, 2017 – \$4,294,509 or approximately 3.8%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 90.4% (December 31, 2017 – 95.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$9,379,801 (December 31, 2017 – \$10,884,329). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Belgium	1.3	1.2
Canada	44.8	43.5
Denmark	-	0.6
France	2.4	1.7
Germany	2.7	3.3
Hong Kong	1.3	1.2
Japan	2.4	2.2
Netherlands	2.9	1.2
Spain	0.9	1.6
Sweden	1.1	1.3
Switzerland	1.8	0.9
United Kingdom	3.3	8.0
United States	25.5	28.9

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

Scotia Global Balanced Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	29,185,361	20,938,753	–	50,124,114
Underlying funds	43,774,751	–	–	43,774,751
Unrealized gain on currency forward contracts	–	7,274	–	7,274
	72,960,112	20,946,027	–	93,906,139
Unrealized loss on currency forward contracts	–	(354,295)	–	(354,295)
Unrealized loss on swap contracts	–	(100,852)	–	(100,852)
	72,960,112	20,490,880	–	93,450,992

December 31, 2017	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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	7,274	(7,274)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	7,274	(7,274)	–	–

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	354,295	(7,274)	–	347,021
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	100,852	–	(163,693)	–
	455,147	(7,274)	(163,693)	347,021

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	43,774,751	10.8
	43,774,751	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	44,875,944	10.6
	44,875,944	

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

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

Scotia U.S. \$ Balanced Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
	U.S. \$	U.S. \$
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	68,673,787	83,445,728
Derivatives	—	6,313
Cash	1,968,427	1,337,789
Cash collateral deposited on derivatives	—	41,888
Receivable for securities sold	28,047,926	—
Subscriptions receivable	2,340	1,850
Accrued investment income and other	215,554	278,363
	<u>98,908,034</u>	<u>85,111,931</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	28,077,976	—
Redemptions payable	9,003	11,099
Distributions payable	38	—
	<u>28,087,017</u>	<u>11,099</u>
Net assets attributable to holders of redeemable units	<u>70,821,017</u>	<u>85,100,832</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>70,821,017</u>	<u>85,100,832</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>9.99</u>	<u>11.12</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
	U.S. \$	U.S. \$
INCOME		
Dividends	835,224	845,698
Interest for distribution purposes	849,284	952,571
Net realized gain (loss) on non-derivative financial assets	(2,071,173)	1,103,263
Change in unrealized gain (loss) on non-derivative financial assets	(2,134,811)	1,705,480
Net realized gain (loss) on derivatives	29,859	16,945
Change in unrealized gain (loss) on derivatives	(6,313)	6,313
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(2,497,930)	4,630,270
Securities lending (note 11)	3,256	—
Net realized and unrealized foreign currency translation gain (loss)	—	4,533
Other income	97	39
Total income (loss), net	<u>(2,494,577)</u>	<u>4,634,842</u>
EXPENSES		
Management fees (note 5)	1,317,133	1,475,526
Fixed administration fees (note 6)	71,844	80,229
Independent Review Committee fees	967	987
Interest expense and bank overdraft charges	5	3
Foreign withholding taxes/tax reclaims	116,279	105,652
Harmonized Sales Tax/Goods and Services Tax	157,788	176,112
Transaction costs	71,393	85,560
Total expenses	<u>1,735,409</u>	<u>1,924,069</u>
Expenses absorbed by the Manager	(12,000)	—
Net expenses	<u>1,723,409</u>	<u>1,924,069</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(4,217,986)</u>	<u>2,710,773</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>(4,217,986)</u>	<u>2,710,773</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>(0.59)</u>	<u>0.33</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	<u>7,145,703</u>	<u>8,273,507</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	85,100,832	93,998,505
	<u>85,100,832</u>	<u>93,998,505</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(4,217,986)	2,710,773
	<u>(4,217,986)</u>	<u>2,710,773</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(64,565)	—
From net realized gains on investments		
Series A	(3,323,218)	—
	<u>(3,387,783)</u>	<u>—</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	6,876,509	9,718,627
Reinvested distributions		
Series A	3,299,086	—
Payments on redemption		
Series A	(16,849,641)	(21,327,073)
	<u>(6,674,046)</u>	<u>(11,608,446)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(4,217,986)	(8,897,673)
	<u>(4,217,986)</u>	<u>(8,897,673)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	<u>70,821,017</u>	<u>85,100,832</u>
	<u>70,821,017</u>	<u>85,100,832</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
	U.S. \$	U.S. \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(4,217,986)	2,710,773
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	2,071,173	(1,103,263)
Change in unrealized (gain) loss on non-derivative financial assets	2,134,811	(1,705,480)
Change in unrealized (gain) loss on derivatives	6,313	(6,313)
Other non-cash transactions	(17,640)	(41,438)
Purchases of non-derivative financial assets and liabilities	(233,198,593)	(160,450,313)
Proceeds from sale of non-derivative financial assets and liabilities	243,812,240	170,002,752
Cash collateral deposited on derivatives	41,888	(41,886)
Accrued investment income and other	62,809	(7,550)
Accrued expenses and other payables	—	(5,543)
Net cash provided by (used in) operating activities	10,695,015	9,351,739
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,876,019	9,729,551
Amounts paid on redemption of redeemable units	(16,851,737)	(21,473,420)
Distributions to unitholders of redeemable units	(88,659)	—
Net cash provided by (used in) financing activities	(10,064,377)	(11,743,869)
Net increase (decrease) in cash	630,638	(2,392,130)
Cash (bank overdraft), beginning of period	1,337,789	3,729,919
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,968,427</u>	<u>1,337,789</u>
Interest paid ⁽¹⁾	5	3
Interest received, net of withholding taxes ⁽¹⁾	904,990	957,405
Dividends received, net of withholding taxes ⁽¹⁾	708,409	686,223

⁽¹⁾ Classified as operating items.

Scotia U.S. \$ Balanced Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)/			Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	
	Number of Shares	Average Cost (\$)	Carrying Value (\$)					
	U.S. \$	U.S. \$	U.S. \$		U.S. \$	U.S. \$	U.S. \$	
BONDS AND DEBENTURES – 42.4%				EQUITIES (cont'd)				
Corporate Bonds – 12.6%				Consumer Discretionary (cont'd)				
Aetna Inc. (Callable) 2.75% Aug 15, 2022	295,000	292,167	282,996	McDonald's Corporation	4,383	773,968	778,289	
Aetna Inc. (Callable) 2.80% Apr 15, 2023	383,000	366,217	363,861	Yum! Brands, Inc.	10,699	981,320	983,452	
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide Inc. (Callable) 3.65% Nov 01, 2025	338,000	330,669	319,593			4,334,015	4,516,878	
Bank of America Corporation (Callable) 3.37% Jan 23, 2025	723,000	723,000	698,367	Consumer Staples – 4.3%				
Bank of Montreal (Callable) 4.34% Oct 05, 2023	152,000	152,000	151,703	Coca-Cola Company, The	20,766	984,565	983,270	
BP Capital Markets America Inc. (Callable) 3.80% Jul 21, 2025	409,000	403,929	412,190	Mondelez International, Inc.	4,127	164,624	165,204	
Comcast Corporation (Callable) 3.95% Aug 15, 2025	283,000	282,652	286,781	PepsiCo, Inc.	8,916	982,508	985,040	
Crown Castle Towers LLC (Callable) 3.22% May 15, 2021	730,000	727,071	726,562	Procter & Gamble Company, The	9,741	852,410	895,393	
Fortis Inc. (Callable) 2.10% Sep 04, 2021	401,000	386,843	386,129			2,984,107	3,028,907	
Fortis Inc. 3.06% Oct 04, 2026	182,000	177,326	166,717	Energy – 1.9%				
Great-West Lifeco Finance 2018 LP (Callable) 4.05% Feb 17, 2028	389,000	389,000	395,833	Chevron Corporation	3,419	418,431	371,953	
Heathrow Funding Ltd. 4.88% Jul 15, 2021	560,000	620,207	578,094	Exxon Mobil Corporation	14,378	991,418	980,436	
Kimco Realty Corporation (Callable) 2.70% Jan 01, 2024	830,000	805,540	782,636			1,409,849	1,352,389	
Morgan Stanley (Callable) 3.74% Apr 24, 2023	1,010,000	1,000,889	990,497	Financials – 8.6%				
National Hockey League Inc. 3.33% Aug 10, 2024	500,000	500,000	489,668	Aon PLC	6,820	1,003,659	991,355	
Pernod Ricard SA 4.25% Jul 15, 2022	160,000	163,914	162,698	Arthur J. Gallagher & Co.	13,568	997,614	999,962	
Reynolds American Inc. 8.13% Jun 23, 2019	200,000	244,272	204,634	Bank of America Corporation	23,546	662,601	580,173	
Reynolds American Inc. 4.00% Jun 12, 2022	97,000	102,926	96,216	Citigroup Inc.	11,080	640,830	576,825	
Suncor Energy Inc. (Callable) 3.60% Sep 01, 2024	205,000	201,792	200,585	JPMorgan Chase & Co.	5,931	577,132	578,984	
Thermo Fisher Scientific Inc. (Callable) 2.95% Jun 19, 2026	500,000	463,840	463,968	Marsh & McLennan Companies, Inc.	12,427	1,002,244	991,053	
United Parcel Service Inc. (Callable) 2.80% Sep 15, 2024	320,000	315,510	308,352	NASDAQ OMX Group, Inc., The	4,421	358,525	360,621	
Ventas Realty LP (Callable) 3.50% Nov 01, 2024	85,000	80,889	82,002	Wills Towers Watson PLC	6,519	985,429	989,975	
Wells Fargo & Company 3.00% Feb 19, 2025	385,000	386,028	363,991			6,228,034	6,068,948	
		9,116,681	8,914,073	Health Care – 6.7%				
Federal Bonds – 29.8%				Becton, Dickinson and Company				
United States Treasury Notes 1.13% Feb 28, 2021	1,535,000	1,532,961	1,491,606	Danaher Corporation	3,328	746,588	749,865	
United States Treasury Notes 1.50% Aug 15, 2026	440,000	404,044	406,254	Medtronic Inc.	9,663	994,015	996,449	
United States Treasury Notes 1.63% Nov 15, 2022	2,760,000	2,682,241	2,673,419	Merck & Co., Inc.	10,980	1,034,069	998,741	
United States Treasury Notes 1.75% Oct 31, 2020	1,155,000	1,141,120	1,139,760	Pfizer Inc.	13,004	955,778	993,636	
United States Treasury Notes 2.00% Feb 15, 2022	880,000	874,038	868,142			22,815	1,013,976	
United States Treasury Notes 2.00% Nov 15, 2026	635,000	604,788	607,070				4,744,426	
United States Treasury Notes 2.13% May 15, 2025	1,050,000	1,009,682	1,022,999	Industrials – 4.2%				
United States Treasury Notes 2.13% Nov 30, 2023	2,750,000	2,715,909	2,702,851	Honeywell International Inc.	7,495	1,115,153	990,239	
United States Treasury Notes 2.25% Nov 15, 2025	1,600,000	1,572,000	1,566,584	Republic Services, Inc.	13,626	980,541	982,298	
United States Treasury Notes 2.25% Nov 15, 2027	3,100,000	3,001,016	2,999,638	Waste Management, Inc.	11,188	987,969	995,620	
United States Treasury Notes 2.50% Feb 15, 2046	75,000	68,499	67,940				3,083,663	
United States Treasury Notes 2.63% Feb 15, 2028	900,000	888,512	906,012	Information Technology – 9.9%				
United States Treasury Notes 2.75% Aug 31, 2023	266,000	265,231	269,192	Amphenol Corporation	12,180	989,606	986,824	
United States Treasury Notes 2.75% Jul 31, 2023	363,000	363,014	367,095	Citrix Systems, Inc.	9,665	989,064	990,276	
United States Treasury Notes 2.88% Aug 15, 2028	1,815,000	1,780,421	1,846,218	Fidelity National Information Service, Inc.	9,722	1,001,216	996,991	
United States Treasury Notes 2.88% May 15, 2028	700,000	693,424	711,981	Fiserv, Inc.	13,486	1,002,576	991,086	
United States Treasury Notes 3.63% Feb 15, 2021	1,415,000	1,570,429	1,448,790	Jack Henry & Associates Inc.	7,854	988,943	993,688	
		21,167,329	21,095,551	Microsoft Corporation	7,627	674,621	774,674	
TOTAL BONDS AND DEBENTURES		30,284,010	30,009,624	Motorola Solutions, Inc.	2,524	312,765	290,361	
EQUITIES – 54.7%				Paychex, Inc.				
Communication Services – 7.6%				15,156				1,018,078
Alphabet Inc., Class A	732	757,291	764,911			6,976,869	7,011,313	
AT&T Inc.	5,785	181,879	165,104	Materials – 1.7%				
Facebook Inc.	5,748	915,840	753,505	Air Products and Chemicals, Inc.	1,335	220,915	213,667	
Netflix Inc.	2,990	794,072	800,303	Ecolab Inc.	6,789	994,802	1,000,359	
Omnicom Group Inc.	12,176	889,552	891,770				1,215,717	
Verizon Communications Inc.	17,733	987,732	996,949	Real Estate – 1.4%				
Walt Disney Company, The	9,170	1,009,468	1,005,491	Crown Castle International Corporation	9,100	981,909	988,533	
		5,535,834	5,378,033					
Consumer Discretionary – 6.4%								
Amazon.com, Inc.	518	607,609	778,020					
Garmin Ltd.	15,602	985,373	987,919					
Genuine Parts Company	10,302	985,745	989,198					

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, 2018

Issuer	Number of	Average	Carrying
	Shares	Cost (\$)	Value (\$)
	U.S. \$	U.S. \$	U.S. \$
EQUITIES (cont'd)			
Utilities – 2.0%			
Duke Energy Corporation	4,757	414,888	410,529
Exelon Corporation	21,993	968,913	991,884
		<u>1,383,801</u>	<u>1,402,413</u>
TOTAL EQUITIES		<u>38,878,224</u>	<u>38,664,163</u>
Transaction Costs		<u>(4,606)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>69,157,628</u>	<u>68,673,787</u>
OTHER ASSETS, LESS LIABILITIES – 2.9%			<u>2,147,230</u>
NET ASSETS – 100.0%			<u>70,821,017</u>

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 investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	204,634	1,281,260
1-3 years	5,770,941	9,056,592
3-5 years	7,786,470	12,755,684
5-10 years	16,179,639	9,233,264
> 10 years	67,940	1,628,952
	30,009,624	33,955,752

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$385,086 or approximately 0.5% (December 31, 2017 – \$389,641 or approximately 0.5%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 54.6% (December 31, 2017 – 58.3%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$3,866,416 (December 31, 2017 –

\$4,949,629). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
AAA	70.4	29.9	68.9	27.4
AA	–	–	1.2	0.5
A	14.2	6.0	16.6	6.6
BBB	15.4	6.5	11.8	4.7
NOT RATED	–	–	1.5	0.6
	100.0	42.4	100.0	39.8

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	7.6	–
Consumer Discretionary	6.4	6.3
Consumer Staples	4.3	4.7
Corporate Bonds	12.6	12.4
Energy	1.9	3.5
Federal Bonds	29.8	27.4
Financials	8.6	8.2
Health Care	6.7	8.7
Industrials	4.2	6.2
Information Technology	9.9	15.0
Materials	1.7	2.0
Real Estate	1.4	1.4
Telecommunication Services	–	0.9
Utilities	2.0	1.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	38,664,163	–	–	38,664,163
Bonds and debentures	–	30,009,624	–	30,009,624
	38,664,163	30,009,624	–	68,673,787

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

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

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	500,000	-
Purchases	-	500,000
Sales/Return of Capital	-	-
Transfer into Level 3	-	-
Transfers out of Level 3	(485,700)	-
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	(14,300)	-
End of period	-	500,000

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was nil and nil, respectively.

During the period ended December 31, 2018, investments of approximately \$485,700 (December 31, 2017 – nil) were transferred from Level 3 to 2 as the fair value of these securities are now determined using valuation models that required the use of market prices obtained through independent brokers or valuation services.

Level 3 valuation techniques

Below is a summary of 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 table also illustrates 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 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 below as nil.

Security	Valuation technique	Significant unobservable input	Carrying value as at December 31, 2017 (\$)	Change in valuation (\$)
Debt	Fair value based on transaction price	Transaction price	500,000	n/a
			500,000	

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Canadian Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	8,490,409,346	8,533,971,697
Derivatives	729,462	42,741,305
Cash	679,340,355	862,839,695
Subscriptions receivable	8,073,886	8,668,235
Accrued investment income and other	28,303,076	22,745,921
	<u>9,206,856,125</u>	<u>9,470,966,853</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	84,266,421	—
Redemptions payable	4,919,084	5,925,737
Distributions payable	3,529	2,962
	<u>89,189,034</u>	<u>5,928,699</u>
Net assets attributable to holders of redeemable units	<u>9,117,667,091</u>	<u>9,465,038,154</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	4,666,375,832	4,900,617,634
Advisor Series	10,278,692	24,528,433
Series F	81,931,257	64,033,762
Series I	2,453,450,230	2,689,256,517
Series K	80,594,130	28,514,410
Series M	<u>1,825,036,950</u>	<u>1,758,087,398</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	59.74	62.88
Advisor Series	59.63	62.63
Series F	59.51	62.57
Series I	59.56	62.73
Series K	10.76	11.22
Series M	<u>58.21</u>	<u>61.22</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	265,992,016	229,484,866
Interest for distribution purposes	12,061,643	17,103,208
Net realized gain (loss) on non-derivative financial assets	345,079,139	102,483,851
Change in unrealized gain (loss) on non-derivative financial assets	(621,619,229)	615,596,292
Net realized gain (loss) on derivatives	(77,609,998)	86,408,647
Change in unrealized gain (loss) on derivatives	(126,278,264)	44,576,201
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(202,374,693)	1,095,653,065
Securities lending (note 11)	278,587	238,864
Net realized and unrealized foreign currency translation gain (loss)	5,318,843	516,647
Other income	50,040	44,238
Total income (loss), net	<u>(196,727,223)</u>	<u>1,096,452,814</u>
EXPENSES		
Management fees (note 5)	76,421,620	70,813,620
Fixed administration fees and operating expenses (note 6)	3,989,268	3,634,767
Independent Review Committee fees	1,249	1,132
Interest expense and bank overdraft charges	32,714	2,425
Foreign withholding taxes/tax reclaims	9,687,471	11,282,002
Harmonized Sales Tax/Goods and Services Tax	8,746,536	8,128,025
Transaction costs	1,671,181	1,047,148
Total expenses	100,550,039	94,909,119
Expenses absorbed by the Manager	—	(285)
Net expenses	<u>100,550,039</u>	<u>94,908,834</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(297,277,262)</u>	<u>1,001,543,980</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(194,089,824)	486,571,394
Advisor Series	(441,429)	2,898,880
Series F	(2,851,353)	5,934,186
Series I	(54,093,180)	314,006,236
Series K	(1,884,085)	1,708,180
Series M	<u>(43,917,391)</u>	<u>190,425,104</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(2.48)	6.37
Advisor Series	(1.30)	6.44
Series F	(2.40)	6.84
Series I	(1.26)	7.43
Series K	(0.48)	1.15
Series M	<u>(1.48)</u>	<u>7.11</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	78,345,369	76,410,901
Advisor Series	340,422	450,058
Series F	1,189,813	867,182
Series I	42,792,424	42,235,310
Series K	3,887,998	1,491,217
Series M	<u>29,689,559</u>	<u>26,775,817</u>

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

Scotia Canadian 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,900,617,634	4,192,115,154
Advisor Series	24,528,433	28,449,067
Series F	64,033,762	40,001,736
Series I	2,689,256,517	2,386,648,016
Series K	28,514,410	4,240,512
Series M	1,758,087,398	1,392,537,046
	<u>9,465,038,154</u>	<u>8,043,991,531</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(194,089,824)	486,571,394
Advisor Series	(441,429)	2,898,880
Series F	(2,851,353)	5,934,186
Series I	(54,093,180)	314,006,236
Series K	(1,884,085)	1,708,180
Series M	(43,917,391)	190,425,104
	<u>(297,277,262)</u>	<u>1,001,543,980</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(49,429,906)	(41,130,328)
Advisor Series	(161,538)	(223,162)
Series F	(1,477,894)	(979,815)
Series I	(72,174,354)	(65,538,497)
Series K	(1,180,797)	(442,923)
Series M	(47,468,495)	(39,328,129)
	<u>(171,892,984)</u>	<u>(147,642,854)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	676,301,202	747,148,891
Advisor Series	82,331	24,676
Series F	40,852,386	30,573,871
Series I	136,491,403	104,315,641
Series K	60,373,299	26,603,458
Series M	430,548,161	405,412,461
Reinvested distributions		
Series A	48,673,969	40,489,298
Advisor Series	141,411	201,642
Series F	1,076,782	740,610
Series I	72,174,354	65,538,497
Series K	1,180,797	442,923
Series M	41,372,178	34,024,950
Payments on redemption		
Series A	(715,697,243)	(524,576,775)
Advisor Series	(13,870,516)	(6,822,670)
Series F	(19,702,426)	(12,236,826)
Series I	(318,204,510)	(115,713,376)
Series K	(6,409,494)	(4,037,740)
Series M	(313,584,901)	(224,984,034)
	<u>121,799,183</u>	<u>567,145,497</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(234,241,802)	708,502,480
Advisor Series	(14,249,741)	(3,920,634)
Series F	17,897,495	24,032,026
Series I	(235,806,287)	302,608,501
Series K	52,079,720	24,273,898
Series M	66,949,552	365,550,352
	<u>(347,371,063)</u>	<u>1,421,046,623</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	4,666,375,832	4,900,617,634
Advisor Series	10,278,692	24,528,433
Series F	81,931,257	64,033,762
Series I	2,453,450,230	2,689,256,517
Series K	80,594,130	28,514,410
Series M	1,825,036,950	1,758,087,398
	<u>9,117,667,091</u>	<u>9,465,038,154</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(297,277,262)	1,001,543,980
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(345,079,139)	(102,483,851)
Change in unrealized (gain) loss on non-derivative financial assets	621,619,229	(615,596,292)
Change in unrealized (gain) loss on derivatives	126,278,264	(44,576,201)
Unrealized foreign currency translation (gain) loss	1,188,084	(293,911)
Other non-cash transactions	(9,114,900)	(463,224)
Purchases of non-derivative financial assets and liabilities	(3,295,597,015)	(1,135,579,067)
Proceeds from sale of non-derivative financial assets and liabilities	3,071,734,177	710,655,106
Accrued investment income and other	(5,557,155)	(4,415,455)
Accrued expenses and other payables	–	(206,960)
Net cash provided by (used in) operating activities	<u>(131,805,717)</u>	<u>(191,415,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,291,136,186	1,277,883,503
Amounts paid on redemption of redeemable units	(1,334,368,799)	(852,006,801)
Distributions to unitholders of redeemable units	(7,272,926)	(6,204,027)
Net cash provided by (used in) financing activities	<u>(50,505,539)</u>	<u>419,672,675</u>
Unrealized foreign currency translation gain (loss)	(1,188,084)	293,911
Net increase (decrease) in cash	<u>(182,311,256)</u>	<u>228,256,800</u>
Cash (bank overdraft), beginning of period	862,839,695	634,288,984
CASH (BANK OVERDRAFT), END OF PERIOD	<u>679,340,355</u>	<u>862,839,695</u>
Interest paid ⁽¹⁾	32,714	2,425
Interest received, net of withholding taxes ⁽¹⁾	12,061,643	17,343,105
Dividends received, net of withholding taxes ⁽¹⁾	242,313,735	214,733,577

⁽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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 87.4%				EQUITIES (cont'd)			
Communication Services – 7.6%				Real Estate – 2.9%			
BCE Inc.	3,017,000	145,632,999	162,706,809	American Tower Corporation	759,000	107,816,972	163,783,230
Comcast Corporation, Class A	4,098,600	60,620,799	190,371,214	Equinix Inc.	92,800	45,837,715	44,630,283
Rogers Communications, Inc., Class B	2,603,600	109,013,447	182,147,856	First Capital Realty, Inc.	2,951,627	49,080,659	55,638,169
TELUS Corporation	3,396,500	89,816,021	153,691,625			202,735,346	264,051,682
		405,083,266	688,917,504				
Consumer Discretionary – 1.8%				Utilities – 6.0%			
McDonald's Corporation	664,700	78,486,665	161,006,683	Brookfield Infrastructure Partners LP	2,649,500	43,265,546	124,923,925
Consumer Staples – 8.6%				Emera Inc.	845,600	38,771,702	36,961,176
Alimentation Couche-Tard Inc., Class B	2,335,100	55,930,586	158,576,641	Fortis Inc.	4,945,389	178,579,716	225,064,652
Coca-Cola Company, The	2,216,400	126,020,230	143,158,373	Hydro One Limited	8,018,800	181,776,907	162,380,700
Costco Wholesale Corporation	480,604	94,369,360	133,551,373			442,393,871	549,330,453
George Weston Limited	330,674	19,707,907	29,777,194				
Loblaw Companies Limited	2,203,041	71,346,970	134,627,836	TOTAL EQUITIES		5,980,739,290	7,958,448,885
Mondelez International, Inc.	3,336,200	181,513,977	182,173,958				
		548,889,030	781,865,375	MONEY MARKET INSTRUMENTS – 5.8%			
Energy – 12.9%				Bankers' Acceptances – 5.8%			
Canadian Natural Resources Ltd.	6,993,900	276,446,136	230,379,066	Bank of Nova Scotia, The 0.00% Jan 04, 2019 [†]	47,863,000	47,769,189	47,854,960
Enbridge Inc.	5,451,666	243,062,048	231,205,155	Bank of Nova Scotia, The 0.00% Jan 10, 2019 [†]	35,056,000	34,999,209	35,037,746
Pembina Pipeline Corporation	4,735,932	179,037,381	191,852,605	Bank of Nova Scotia, The 0.00% Jan 25, 2019 [†]	50,000,000	49,842,500	49,932,500
Suncor Energy, Inc.	6,859,746	252,558,592	261,562,115	Canadian Imperial Bank of Commerce 0.00% Feb 11, 2019	35,123,000	34,999,367	35,038,517
TransCanada Corporation	5,306,451	233,734,170	258,689,486	Canadian Imperial Bank of Commerce 0.00% Jan 14, 2019	98,296,000	98,118,084	98,221,390
		1,184,838,327	1,173,688,427	Royal Bank of Canada 0.00% Feb 19, 2019	13,760,000	13,692,026	13,720,815
Financials – 22.0%				Royal Bank of Canada 0.00% Jan 28, 2019	50,000,000	49,742,000	49,923,451
Bank of America Corporation	2,762,200	101,621,128	92,841,993	Royal Bank of Canada 0.00% Jan 29, 2019	17,291,000	17,200,741	17,263,530
Bank of Nova Scotia, The [†]	5,065,900	274,089,275	344,734,494	Royal Bank of Canada 0.00% Jan 31, 2019	16,922,000	16,866,327	16,893,204
Brookfield Asset Management Inc., Class A	4,138,070	102,896,853	216,503,822	Royal Bank of Canada 0.00% Mar 01, 2019	35,160,000	34,999,319	35,038,459
Canadian Imperial Bank of Commerce	2,665,000	253,653,228	270,977,199	Toronto-Dominion Bank, The 0.00% Feb 04, 2019	30,517,000	30,415,005	30,457,731
Intact Financial Corporation	723,839	37,215,123	71,797,590	Toronto-Dominion Bank, The 0.00% Jan 14, 2019	35,065,000	34,999,779	35,038,504
Manulife Financial Corporation	7,181,853	138,590,997	139,112,493	Toronto-Dominion Bank, The 0.00% Jan 18, 2019	22,472,000	22,398,517	22,450,827
Royal Bank of Canada	3,776,800	269,748,510	352,904,192	Toronto-Dominion Bank, The 0.00% Jan 25, 2019	27,186,000	27,114,501	27,148,696
Sun Life Financial Inc.	3,743,700	145,997,550	169,552,172	Toronto-Dominion Bank, The 0.00% Mar 06, 2019	18,007,000	17,917,145	17,940,131
Toronto-Dominion Bank, The	5,177,000	187,796,194	351,311,219			531,073,709	531,960,461
		1,511,608,858	2,009,735,174	Transaction Costs		(4,249,238)	
Health Care – 7.9%				TOTAL INVESTMENT PORTFOLIO		6,507,563,761	8,490,409,346
Allergan PLC	648,903	177,809,538	118,312,292	Unrealized Gain (Loss) on Derivatives – (0.9%)			(83,536,959)
Johnson & Johnson	945,033	104,499,961	166,361,800	OTHER ASSETS, LESS LIABILITIES – 7.7%			710,794,704
Medtronic PLC	1,482,200	148,874,951	183,910,231	NET ASSETS – 100.0%			9,117,667,091
Pfizer Inc.	2,208,700	88,348,959	131,513,280				
UnitedHealth Group Incorporated	360,500	105,345,169	122,507,448				
		624,878,578	722,605,051				
Industrials – 7.4%				Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.			
Canadian National Railway Company	2,132,180	83,978,816	215,584,720	[†] Investment in related party (note 10)			
Canadian Pacific Railway Limited	1,075,200	186,492,603	260,456,448				
Honeywell International Inc.	1,088,000	124,647,970	196,085,775				
		395,119,389	672,126,943				
Information Technology – 8.6%							
Apple Inc.	653,200	92,464,980	140,551,874				
Microsoft Corporation	1,781,700	98,400,017	246,858,827				
Oracle Corporation	2,956,400	160,238,533	182,083,074				
Visa Inc., Class A	1,183,300	64,663,579	212,970,756				
		415,767,109	782,464,531				
Materials – 1.7%							
DowDuPont Inc.	1,274,800	111,159,614	92,999,814				
Nutrien Ltd.	930,400	59,779,237	59,657,248				
		170,938,851	152,657,062				

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

Scotia Canadian 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 (\$)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	11,000,000	Canadian Dollar	14,711,224	1.337	1.364	292,583
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	14,000,000	Canadian Dollar	18,851,700	1.347	1.364	244,043
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	15,000,000	Canadian Dollar	20,298,600	1.353	1.364	161,115
Bank of Montreal	A-1	Jan. 16, 2019	US Dollar	5,500,000	Canadian Dollar	7,470,172	1.358	1.364	31,721
									<u>729,462</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	136,752,967	US Dollar	105,100,000	0.769	0.733	(6,601,052)
Bank of Nova Scotia, The	A-1	Jan. 16, 2019	Canadian Dollar	9,887,942	US Dollar	7,600,000	0.769	0.733	(478,286)
State Street Bank & Trust Company	A-1+	Jan. 16, 2019	Canadian Dollar	104,664,720	US Dollar	80,400,000	0.768	0.733	(4,999,060)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	192,669,330	US Dollar	147,900,000	0.768	0.733	(9,062,921)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	117,359,671	US Dollar	90,200,000	0.769	0.733	(5,671,087)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	218,279,997	US Dollar	167,700,000	0.768	0.733	(10,459,005)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	23,158,126	US Dollar	17,300,000	0.747	0.733	(438,682)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	93,251,561	US Dollar	71,100,000	0.762	0.734	(3,676,990)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	137,738,895	US Dollar	105,000,000	0.762	0.734	(5,404,535)
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	Canadian Dollar	10,099,205	US Dollar	7,700,000	0.762	0.734	(397,980)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	373,626,045	US Dollar	284,700,000	0.762	0.734	(14,497,140)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	160,821,360	US Dollar	122,400,000	0.761	0.734	(6,042,981)
State Street Bank & Trust Company	A-1+	Feb. 20, 2019	Canadian Dollar	85,963,722	US Dollar	65,400,000	0.761	0.734	(3,194,186)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	197,936,049	US Dollar	147,900,000	0.747	0.734	(3,595,537)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	147,128,410	US Dollar	110,000,000	0.748	0.734	(2,759,855)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	175,281,930	US Dollar	131,000,000	0.747	0.734	(3,221,368)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	97,896,582	US Dollar	73,200,000	0.748	0.734	(1,847,245)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	90,250,740	US Dollar	67,500,000	0.748	0.734	(1,726,150)
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	10,163,556	US Dollar	7,600,000	0.748	0.734	(192,361)
									<u>(84,266,421)</u>

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 investment 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.

The Fund may also invest 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

Below is a summary of 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 Fund did not have significant direct interest risk exposure as at December 31, 2017.

Interest rate exposure	December 31, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	531,960,461	–
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	531,960,461	–

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$1,327,684 or approximately 0.0% (December 31, 2017 – nil or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	2,993,953,095	(2,405,859,796)	588,093,299	6.5
	2,993,953,095	(2,405,859,796)	588,093,299	6.5
Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,415,326,527	(2,418,458,311)	996,868,216	10.5
	3,415,326,527	(2,418,458,311)	996,868,216	10.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$58,809,330 or approximately 0.7% of net assets (December 31, 2017 – \$99,686,822 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 87.3% (December 31, 2017 – 90.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$795,844,889 (December 31, 2017 – \$853,397,170). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable. The Fund did not have significant direct credit risk exposure as at December 31, 2017.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	50.0	2.9	–	–
A-1	50.0	2.9	–	–
	100.0	5.8	–	–

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. 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, 2018	December 31, 2017
Bankers' Acceptances	5.8	–
Communication Services	7.6	–
Consumer Discretionary	1.8	5.6
Consumer Staples	8.6	8.0
Energy	12.9	11.0
Financials	22.0	22.0
Health Care	7.9	7.5
Industrials	7.4	8.5
Information Technology	8.6	8.0
Materials	1.7	1.4
Real Estate	2.9	3.3
Telecommunication Services	–	7.9
Utilities	6.0	6.9

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Equities	7,958,448,885	–	–	7,958,448,885
Money market instruments	–	531,960,461	–	531,960,461
Unrealized gain on currency forward contracts	–	729,462	–	729,462
	7,958,448,885	532,689,923	–	8,491,138,808
Unrealized loss on currency forward contracts	–	(84,266,421)	–	(84,266,421)
	7,958,448,885	448,423,502	–	8,406,872,387
December 31, 2017				
Equities	8,533,971,697	–	–	8,533,971,697
Unrealized gain on currency forward contracts	–	42,741,305	–	42,741,305
	8,533,971,697	42,741,305	–	8,576,713,002

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of 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, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	729,462	(729,462)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	729,462	(729,462)	–	–

December 31, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	84,266,421	(729,462)	–	83,536,959
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	84,266,421	(729,462)	–	83,536,959

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	–	–	–	–
	–	–	–	–

Interest in Underlying Funds (note 2)

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

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

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

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

Scotia Canadian Equity Fund

(formerly, Scotia Canadian Blue Chip Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	225,863,630	264,122,696
Derivatives	88,586	549,381
Cash	25,877,312	18,015,482
Subscriptions receivable	38,874	224,298
Accrued investment income and other	595,631	540,619
	<u>252,464,033</u>	<u>283,452,476</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,092,573	2,487
Redemptions payable	143,817	189,187
	<u>1,236,390</u>	<u>191,674</u>
Net assets attributable to holders of redeemable units	<u>251,227,643</u>	<u>283,260,802</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	250,197,475	282,409,455
Series F	630,887	429,405
Series I	<u>399,281</u>	<u>421,942</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	28.62	31.17
Series F	30.54	32.96
Series I	<u>36.81</u>	<u>39.31</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	6,453,936	5,882,906
Interest for distribution purposes	350,751	117,920
Net realized gain (loss) on non-derivative financial assets	15,520,621	11,659,478
Change in unrealized gain (loss) on non-derivative financial assets	(32,757,336)	18,342,904
Net realized gain (loss) on derivatives	(1,191,598)	1,554,740
Change in unrealized gain (loss) on derivatives	(1,550,881)	525,031
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(13,174,507)	38,082,979
Securities lending (note 11)	19,195	5,078
Net realized and unrealized foreign currency translation gain (loss)	177,869	(99,959)
Other income	1,474	1,727
Total income (loss), net	<u>(12,975,969)</u>	<u>37,989,825</u>
EXPENSES		
Management fees (note 5)	4,836,533	4,730,791
Fixed administration fees (note 6)	304,139	300,256
Independent Review Committee fees	1,249	1,129
Interest expense and bank overdraft charges	10	2
Foreign withholding taxes/tax reclaims	134,874	159,989
Harmonized Sales Tax/Goods and Services Tax	564,044	554,138
Transaction costs	164,663	108,603
Total expenses	6,005,512	5,854,908
Expenses absorbed by the Manager	-	(1,204)
Net expenses	<u>6,005,512</u>	<u>5,853,704</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(18,981,481)</u>	<u>32,136,121</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(18,917,794)	32,027,837
Series F	(40,586)	49,046
Series I	<u>(23,101)</u>	<u>59,238</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(2.13)	3.49
Series F	(2.09)	3.75
Series I	<u>(2.21)</u>	<u>5.18</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	8,893,183	9,169,397
Series F	19,373	13,075
Series I	<u>10,435</u>	<u>11,446</u>

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

Scotia Canadian Equity Fund (Continued)

(formerly, Scotia Canadian Blue Chip Fund)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	282,409,455	263,006,241
Series F	429,405	198,256
Series I	421,942	407,824
	<u>283,260,802</u>	<u>263,612,321</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(18,917,794)	32,027,837
Series F	(40,586)	49,046
Series I	(23,101)	59,238
	<u>(18,981,481)</u>	<u>32,136,121</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(42)	–
From net realized gains on investments		
Series A	(3,210,156)	(3,439,756)
Series F	(8,768)	(5,684)
Series I	(5,097)	(5,215)
	<u>(3,224,063)</u>	<u>(3,450,655)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	21,355,582	18,134,873
Series F	434,906	2,325,050
Series I	77,380	45,020
Reinvested distributions		
Series A	3,189,921	3,414,584
Series F	6,947	4,867
Series I	5,097	5,215
Payments on redemption		
Series A	(34,629,491)	(30,734,324)
Series F	(191,017)	(2,142,130)
Series I	(76,940)	(90,140)
	<u>(9,827,615)</u>	<u>(9,036,985)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(32,211,980)	19,403,214
Series F	201,482	231,149
Series I	(22,661)	14,118
	<u>(32,033,159)</u>	<u>19,648,481</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	250,197,475	282,409,455
Series F	630,887	429,405
Series I	399,281	421,942
	<u>251,227,643</u>	<u>283,260,802</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(18,981,481)	32,136,121
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(15,520,621)	(11,659,478)
Change in unrealized (gain) loss on non-derivative financial assets	32,757,336	(18,342,904)
Change in unrealized (gain) loss on derivatives	1,550,881	(525,031)
Unrealized foreign currency translation (gain) loss	40,639	(28,626)
Other non-cash transactions	–	(16,104)
Purchases of non-derivative financial assets and liabilities	(93,212,273)	(68,283,649)
Proceeds from sale of non-derivative financial assets and liabilities	114,234,623	83,355,898
Accrued investment income and other	(55,012)	(36,018)
Accrued expenses and other payables	–	(15,729)
Net cash provided by (used in) operating activities	<u>20,814,092</u>	<u>16,584,480</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	21,701,235	20,214,732
Amounts paid on redemption of redeemable units	(34,590,760)	(32,788,811)
Distributions to unitholders of redeemable units	(22,098)	(27,430)
Net cash provided by (used in) financing activities	<u>(12,911,623)</u>	<u>(12,601,509)</u>
Unrealized foreign currency translation gain (loss)	(40,639)	28,626
Net increase (decrease) in cash	7,902,469	3,982,971
Cash (bank overdraft), beginning of period	18,015,482	14,003,885
CASH (BANK OVERDRAFT), END OF PERIOD	<u>25,877,312</u>	<u>18,015,482</u>
Interest paid ⁽¹⁾	10	2
Interest received, net of withholding taxes ⁽¹⁾	350,751	124,793
Dividends received, net of withholding taxes ⁽¹⁾	6,264,051	5,663,922

⁽¹⁾ Classified as operating items.

Scotia Canadian Equity Fund (Continued)

(formerly, Scotia Canadian Blue Chip Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 90.1%				EQUITIES (cont'd)			
Communication Services – 11.1%				Industrials – 9.9%			
Alphabet Inc., Class C	3,740	1,601,164	5,283,436	Canadian National Railway Company	63,540	2,812,490	6,424,529
BCE Inc.	144,800	8,140,936	7,809,064	Canadian Pacific Railway Limited	22,200	5,026,662	5,377,728
Cineplex, Inc.	105,000	2,723,520	2,671,200	Toromont Industries Ltd.	100,700	3,079,173	5,463,982
Comcast Corporation, Class A	103,400	5,144,764	4,802,709	United Parcel Service, Inc., Class B	12,600	1,722,093	1,676,322
Shaw Communications, Inc., Class B	292,400	7,787,313	7,225,204	Waste Connections Inc.	57,500	3,498,762	5,826,475
		<u>25,397,697</u>	<u>27,791,613</u>			<u>16,139,180</u>	<u>24,769,036</u>
Consumer Discretionary – 2.5%				Information Technology – 6.8%			
Restaurant Brands International Inc.	87,600	4,239,944	6,247,632	CGI Group Inc., Class A	72,300	3,187,490	6,037,050
Consumer Staples – 7.8%				Microsoft Corporation			
Alimentation Couche-Tard Inc., Class B	97,400	5,943,266	6,614,434	Visa Inc., Class A	41,100	1,510,983	5,694,504
Costco Wholesale Corporation	13,700	2,846,864	3,806,988		29,900	2,843,227	5,381,413
Loblaw Companies Limited	83,400	3,213,426	5,096,574			<u>7,541,700</u>	<u>17,112,967</u>
Saputo Inc.	107,000	4,542,687	4,193,330	Materials – 10.4%			
		<u>16,546,243</u>	<u>19,711,326</u>	Air Products and Chemicals, Inc.	24,600	5,187,864	5,370,805
Energy – 10.6%				Altius Minerals Corporation			
Canadian Natural Resources Ltd.	171,900	5,852,355	5,662,386	Barrick Gold Corporation	178,100	2,233,337	1,925,261
Enbridge Inc.	120,800	5,817,572	5,123,128	CCL Industries Inc., Class B	110,800	1,606,957	2,042,044
Enerflex Ltd.	193,300	2,822,870	3,088,934	Chemtrade Logistics Income Fund	98,600	5,848,696	4,935,916
Mullen Group Limited	200,000	2,874,301	2,442,000	Franco-Nevada Corporation	250,000	3,877,352	2,620,000
PrairieSky Royalty Ltd.	389,428	10,286,412	6,881,193	Nutrien Ltd.	70,500	4,919,309	6,748,965
Suncor Energy, Inc.	87,400	4,207,454	3,332,562		37,718	2,133,079	2,418,478
		<u>31,860,964</u>	<u>26,530,203</u>			<u>25,806,594</u>	<u>26,061,469</u>
Financials – 24.5%				Real Estate – 1.0%			
Bank of Nova Scotia, The [†]	108,100	5,754,147	7,356,205	Brookfield Property Partners LP	109,000	2,686,030	2,400,180
Brookfield Asset Management Inc., Class A	95,100	4,119,902	4,975,632	Transaction Costs			
Canadian Imperial Bank of Commerce	36,600	3,548,704	3,721,488			<u>(153,429)</u>	
Intact Financial Corporation	70,400	6,310,776	6,982,976	TOTAL INVESTMENT PORTFOLIO			
JPMorgan Chase & Co.	33,700	3,634,234	4,487,633			<u>191,687,602</u>	<u>225,863,630</u>
Manulife Financial Corporation	262,900	5,854,602	5,092,373	Unrealized Gain (Loss) on Derivatives – (0.4%)			
Power Corporation of Canada	203,300	5,998,487	4,986,949				<u>(1,003,987)</u>
Royal Bank of Canada	128,600	7,267,281	12,016,384	OTHER ASSETS, LESS LIABILITIES – 10.3%			
Toronto-Dominion Bank, The	174,596	7,887,894	11,848,085				<u>26,368,000</u>
		<u>50,376,027</u>	<u>61,467,725</u>	NET ASSETS – 100.0%			
							<u>251,227,643</u>
Health Care – 5.5%				† Investment in related party (note 10)			
Anthem, Inc.	11,300	3,295,162	4,048,288				
Johnson & Johnson	26,100	3,711,133	4,594,594				
Thermo Fisher Scientific, Inc.	16,800	4,240,357	5,128,597				
		<u>11,246,652</u>	<u>13,771,479</u>				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	100,000	Canadian Dollar	133,740	1.337	1.364	2,659
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	267,477	1.337	1.364	5,320
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	500,000	Canadian Dollar	669,253	1.339	1.364	12,739
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	1,000,000	Canadian Dollar	1,341,190	1.341	1.364	22,792
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	500,000	Canadian Dollar	671,778	1.344	1.364	10,213
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	2,000,000	Canadian Dollar	2,693,100	1.347	1.364	34,863
									<u>88,586</u>

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

Scotia Canadian Equity Fund (Continued)

(formerly, Scotia Canadian Blue Chip Fund)

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 (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	1,821,638	US Dollar	1,400,000	0.769	0.733	(87,930)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	1,432,970	US Dollar	1,100,000	0.768	0.733	(67,405)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	5,985,083	US Dollar	4,600,000	0.769	0.733	(289,213)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	1,692,093	US Dollar	1,300,000	0.768	0.733	(81,078)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	2,754,266	US Dollar	2,100,000	0.762	0.734	(108,603)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	1,967,699	US Dollar	1,500,000	0.762	0.734	(77,208)
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	Canadian Dollar	1,311,585	US Dollar	1,000,000	0.762	0.734	(51,686)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	2,365,020	US Dollar	1,800,000	0.761	0.734	(88,867)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	936,817	US Dollar	700,000	0.747	0.734	(17,017)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	3,878,840	US Dollar	2,900,000	0.748	0.734	(72,760)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	6,018,233	US Dollar	4,500,000	0.748	0.734	(113,560)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	1,338,030	US Dollar	1,000,000	0.747	0.734	(24,591)
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	668,655	US Dollar	500,000	0.748	0.734	(12,655)
									<u>(1,092,573)</u>

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

Scotia Canadian Equity Fund (Continued) (formerly, Scotia Canadian Blue Chip Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of large Canadian companies.

The Fund may 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	53,240,108	(27,486,424)	25,753,684	10.3
British Pound	12	–	12	0.0
	53,240,120	(27,486,424)	25,753,696	10.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	70,425,117	(33,713,860)	36,711,257	13.0
British Pound	12	–	12	0.0
	70,425,129	(33,713,860)	36,711,269	13.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$2,575,370 or approximately 1.0% of net assets (December 31, 2017 – \$3,671,127 or approximately 1.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

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

underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 90.1% (December 31, 2017 – 93.2%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$22,586,363 (December 31, 2017 – \$26,412,270). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	11.1	–
Consumer Discretionary	2.5	14.1
Consumer Staples	7.8	10.5
Energy	10.6	10.1
Financials	24.5	24.4
Health Care	5.5	3.4
Industrials	9.9	12.0
Information Technology	6.8	10.0
Materials	10.4	6.0
Real Estate	1.0	–
Telecommunication Services	–	2.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	225,863,630	–	–	225,863,630
Unrealized gain on currency forward contracts	–	88,586	–	88,586
	225,863,630	88,586	–	225,952,216
Unrealized loss on currency forward contracts	–	(1,092,573)	–	(1,092,573)
	225,863,630	(1,003,987)	–	224,859,643

	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

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

Scotia Canadian Equity Fund (Continued) (formerly, Scotia Canadian Blue Chip Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	88,586	(88,586)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	88,586	(88,586)	–	–

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,092,573	(88,586)	–	1,003,987
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,092,573	(88,586)	–	1,003,987

Financial assets – by type	December 31, 2017			
	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	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	2,487	(2,487)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	2,487	(2,487)	–	–

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Canadian Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	233,809,960	599,511,098
Cash	34,496	3,590,881
Receivable for securities sold	453,982	—
Subscriptions receivable	60,296	504,913
Accrued investment income and other	717,475	1,164,922
	<u>235,076,209</u>	<u>604,771,814</u>
LIABILITIES		
Current liabilities		
Redemptions payable	643,308	1,022,639
	<u>643,308</u>	<u>1,022,639</u>
Net assets attributable to holders of redeemable units	<u>234,432,901</u>	<u>603,749,175</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	—	266,398,635
Series K	2,891,563	12,050,745
Series M	231,541,338	325,299,795
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	—	13.83
Series K	8.78	11.02
Series M	10.97	13.78

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	14,103,469	15,797,715
Interest for distribution purposes	84,305	21,163
Net realized gain (loss) on non-derivative financial assets	51,850,761	20,942,461
Change in unrealized gain (loss) on non-derivative financial assets	(121,513,560)	12,223,550
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(55,475,025)	48,984,889
Securities lending (note 11)	20,155	24,221
Net realized and unrealized foreign currency translation gain (loss)	27,913	(14,075)
Total income (loss), net	<u>(55,426,957)</u>	<u>48,995,035</u>
EXPENSES		
Management fees (note 5)	316,503	325,817
Fixed administration fees (note 6)	139,275	133,524
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	3,914	6,819
Harmonized Sales Tax/Goods and Services Tax	42,670	44,866
Transaction costs	624,298	546,321
Total expenses	<u>1,127,909</u>	<u>1,058,482</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(56,554,866)</u>	<u>47,936,553</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	(16,482,036)	21,554,177
Series K	(1,977,957)	575,815
Series M	<u>(38,094,873)</u>	<u>25,806,561</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	(0.89)	1.04
Series K	(1.31)	0.94
Series M	<u>(1.63)</u>	<u>1.06</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	18,537,741	20,676,256
Series K	1,512,295	612,254
Series M	<u>23,436,517</u>	<u>24,457,700</u>

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

Scotia Private Canadian Equity Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	266,398,635	283,571,958
Series K	12,050,745	228,346
Series M	325,299,795	345,192,171
	<u>603,749,175</u>	<u>628,992,475</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(16,482,036)	21,554,177
Series K	(1,977,957)	575,815
Series M	(38,094,873)	25,806,561
	<u>(56,554,866)</u>	<u>47,936,553</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(5,619,620)	(6,953,879)
Series K	(123,855)	(291,154)
Series M	(8,716,506)	(8,192,924)
From net realized gains on investments		
Series K	(187,646)	—
Series M	(12,740,554)	—
	<u>(27,388,181)</u>	<u>(15,437,957)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	1,500,000	3,058,250
Series K	12,093,534	11,742,275
Series M	49,185,518	44,127,808
Reinvested distributions		
Series I	5,619,620	6,953,879
Series K	311,501	291,154
Series M	20,941,171	6,871,960
Payments on redemption		
Series I	(251,416,599)	(41,785,750)
Series K	(19,274,759)	(495,691)
Series M	(104,333,213)	(88,505,781)
	<u>(285,373,227)</u>	<u>(57,741,896)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(266,398,635)	(17,173,323)
Series K	(9,159,182)	11,822,399
Series M	(93,758,457)	(19,892,376)
	<u>(369,316,274)</u>	<u>(25,243,300)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	—	266,398,635
Series K	2,891,563	12,050,745
Series M	231,541,338	325,299,795
	<u>234,432,901</u>	<u>603,749,175</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(56,554,866)	47,936,553
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(51,850,761)	(20,942,461)
Change in unrealized (gain) loss on non-derivative financial assets	121,513,560	(12,223,550)
Unrealized foreign currency translation (gain) loss	1	(6,369)
Other non-cash transactions	—	(49,800)
Purchases of non-derivative financial assets and liabilities	(248,117,931)	(202,729,260)
Proceeds from sale of non-derivative financial assets and liabilities	543,702,288	263,625,612
Accrued investment income and other	447,447	88,345
Accrued expenses and other payables	—	(1,416)
Net cash provided by (used in) operating activities	<u>309,139,738</u>	<u>75,697,654</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	62,785,910	58,262,727
Amounts paid on redemption of redeemable units	(374,966,143)	(129,282,275)
Distributions to unitholders of redeemable units	(515,889)	(1,320,964)
Net cash provided by (used in) financing activities	<u>(312,696,122)</u>	<u>(72,340,512)</u>
Unrealized foreign currency translation gain (loss)	(1)	6,369
Net increase (decrease) in cash	(3,556,384)	3,357,142
Cash (bank overdraft), beginning of period	3,590,881	227,370
CASH (BANK OVERDRAFT), END OF PERIOD	<u>34,496</u>	<u>3,590,881</u>
Interest paid ⁽¹⁾	3,914	6,819
Interest received, net of withholding taxes ⁽¹⁾	84,305	21,756
Dividends received, net of withholding taxes ⁽¹⁾	14,551,540	15,835,667

⁽¹⁾ Classified as operating items.

Scotia Private Canadian Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.6%				EQUITIES (cont'd)			
Communication Services – 10.6%				Utilities – 1.5%			
BCE Inc.	120,204	5,429,785	6,482,602	Fortis Inc.	78,000	3,619,076	3,549,780
Cogeco Communication Inc.	84,500	5,497,313	5,558,410	Transaction Costs		75,441	
Shaw Communications, Inc., Class B	229,800	5,716,226	5,678,358	TOTAL INVESTMENT PORTFOLIO		221,810,621	233,809,960
TELUS Corporation	157,300	6,768,323	7,117,825				
		<u>23,411,647</u>	<u>24,837,195</u>	OTHER ASSETS, LESS LIABILITIES – 0.4%			622,941
Consumer Discretionary – 7.5%				NET ASSETS – 100.0%			
Canadian Tire Corporation, Limited, Class A	25,800	3,877,861	3,682,692				<u>234,432,901</u>
Magna International Inc.	58,090	1,961,264	3,599,837				
Restaurant Brands International Inc.	69,600	5,586,376	4,963,872				
Spin Master Corporation	141,200	7,725,486	5,420,668				
		<u>19,150,987</u>	<u>17,667,069</u>				
Consumer Staples – 4.3%				† Investment in related party (note 10)			
Loblaw Companies Limited	95,900	4,317,372	5,860,449				
Premium Brands Holdings Corporation	57,300	6,105,885	4,289,478				
		<u>10,423,257</u>	<u>10,149,927</u>				
Energy – 12.0%							
Canadian Natural Resources Ltd.	209,470	8,158,850	6,899,941				
EnCana Corporation	374,400	5,722,713	2,950,272				
Keyera Corporation	69,600	2,750,514	1,796,376				
Pembina Pipeline Corporation	56,300	2,415,414	2,280,713				
PrairieSky Royalty Ltd.	250,900	7,347,041	4,433,403				
ShawCor Ltd.	166,700	4,524,906	2,763,886				
Suncor Energy, Inc.	186,498	7,031,867	7,111,169				
		<u>37,951,305</u>	<u>28,235,760</u>				
Financials – 32.8%							
Bank of Montreal	111,041	8,469,400	9,903,746				
Bank of Nova Scotia, The [†]	144,800	11,166,692	9,853,639				
Brookfield Asset Management Inc., Class A	168,150	5,164,256	8,797,608				
Canadian Western Bank	93,100	3,385,317	2,424,324				
Intact Financial Corporation	79,185	6,402,123	7,854,360				
Manulife Financial Corporation	391,396	7,264,331	7,581,341				
Royal Bank of Canada	159,613	10,573,547	14,914,239				
Sun Life Financial Inc.	107,100	5,817,606	4,850,559				
Toronto-Dominion Bank, The	158,100	7,709,192	10,728,666				
		<u>65,952,464</u>	<u>76,908,482</u>				
Health Care – 1.5%							
Chartwell Retirement Residences	259,300	3,629,436	3,544,631				
Industrials – 11.3%							
Boyd Group Income Fund	43,300	4,790,887	4,890,735				
Canadian National Railway Company	69,090	3,734,654	6,985,690				
Canadian Pacific Railway Limited	12,200	2,493,124	2,955,328				
Finning International Inc.	125,600	3,507,405	2,989,280				
Waste Connections Inc.	52,200	3,641,299	5,289,426				
WSP Global Inc.	56,800	3,508,290	3,332,456				
		<u>21,675,659</u>	<u>26,442,915</u>				
Information Technology – 8.0%							
CGI Group Inc., Class A	135,143	5,872,399	11,284,441				
Constellation Software Inc.	8,600	7,414,702	7,515,196				
		<u>13,287,101</u>	<u>18,799,637</u>				
Materials – 8.0%							
CCL Industries Inc., Class B	81,900	4,054,188	4,099,914				
Franco-Nevada Corporation	71,000	6,814,882	6,796,830				
Nutrien Ltd.	92,546	4,489,832	5,934,050				
Teck Resources Ltd., Class B	65,500	2,168,366	1,925,045				
		<u>17,527,268</u>	<u>18,755,839</u>				
Real Estate – 2.1%							
FirstService Corporation	52,500	5,106,980	4,918,725				

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 investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	91	–	91	0.0
	91	–	91	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	383,741	–	383,741	0.1
	383,741	–	383,741	0.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$9 or approximately 0.0% of net assets (December 31, 2017 – \$38,374 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.6% (December 31, 2017 – 99.1%) of the Fund's net assets were directly exposed to price risk. If prices of

these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$23,380,996 (December 31, 2017 – \$59,951,110). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	10.6	–
Consumer Discretionary	7.5	13.1
Consumer Staples	4.3	7.6
Energy	12.0	13.7
Financials	32.8	33.8
Health Care	1.5	–
Industrials	11.3	12.5
Information Technology	8.0	3.9
Materials	8.0	7.0
Real Estate	2.1	–
Telecommunication Services	–	5.6
Utilities	1.5	1.9

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	233,809,960	–	–	233,809,960
	233,809,960	–	–	233,809,960

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Private Canadian 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, 2018 or December 31, 2017.

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

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

Scotia Private Fundamental Canadian Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	254,856,421	276,212,940
Cash	1,191,761	5,623,970
Subscriptions receivable	—	5,600
Accrued investment income and other	531,544	452,289
	<u>256,579,726</u>	<u>282,294,799</u>
LIABILITIES		
Current liabilities		
Accrued expenses	—	8
Distributions payable	4	5
	<u>4</u>	<u>13</u>
Net assets attributable to holders of redeemable units	<u>256,579,722</u>	<u>282,294,786</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	256,579,722	282,294,786
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	<u>9.47</u>	<u>10.46</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,994,050	6,799,340
Interest for distribution purposes	45,111	31,459
Net realized gain (loss) on non-derivative financial assets	1,196,043	(1,564,233)
Change in unrealized gain (loss) on non-derivative financial assets	(27,026,819)	10,752,506
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(17,791,615)	16,019,072
Securities lending (note 11)	9,941	905
Net realized and unrealized foreign currency translation gain (loss)	37,513	(5,780)
Total income (loss), net	<u>(17,744,161)</u>	<u>16,014,197</u>
EXPENSES		
Fixed administration fees (note 6)	195,582	186,586
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1	—
Foreign withholding taxes/tax reclaims	20,277	51,616
Harmonized Sales Tax/Goods and Services Tax	20,888	19,927
Transaction costs	44,533	27,380
Total expenses	<u>282,530</u>	<u>286,644</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(18,026,691)</u>	<u>15,727,553</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	<u>(18,026,691)</u>	<u>15,727,553</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	<u>(0.67)</u>	<u>0.60</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	26,840,246	26,174,617

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	282,294,786	259,060,356
	<u>282,294,786</u>	<u>259,060,356</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(18,026,691)	15,727,553
	<u>(18,026,691)</u>	<u>15,727,553</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(7,732,343)	(6,452,823)
	<u>(7,732,343)</u>	<u>(6,452,823)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	912,280	7,990,042
Reinvested distributions		
Series I	7,732,340	6,452,818
Payments on redemption		
Series I	(8,600,650)	(483,160)
	<u>43,970</u>	<u>13,959,700</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(25,715,064)	23,234,430
	<u>(25,715,064)</u>	<u>23,234,430</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	256,579,722	282,294,786
	<u>256,579,722</u>	<u>282,294,786</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(18,026,691)	15,727,553
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,196,043)	1,564,233
Change in unrealized (gain) loss on non-derivative financial assets	27,026,819	(10,752,506)
Unrealized foreign currency translation (gain) loss	8,149	(4,548)
Purchases of non-derivative financial assets and liabilities	(47,676,845)	(21,356,260)
Proceeds from sale of non-derivative financial assets and liabilities	43,202,588	10,000,886
Accrued investment income and other	(79,255)	(119,345)
Accrued expenses and other payables	(8)	(542)
Net cash provided by (used in) operating activities	<u>3,258,714</u>	<u>(4,940,529)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	917,880	7,984,442
Amounts paid on redemption of redeemable units	(8,600,650)	(483,160)
Distributions to unitholders of redeemable units	(4)	(2)
Net cash provided by (used in) financing activities	<u>(7,682,774)</u>	<u>7,501,280</u>
Unrealized foreign currency translation gain (loss)	(8,149)	4,548
Net increase (decrease) in cash	<u>(4,424,060)</u>	<u>2,560,751</u>
Cash (bank overdraft), beginning of period	5,623,970	3,058,671
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,191,761</u>	<u>5,623,970</u>
Interest paid ⁽¹⁾	1	—
Interest received, net of withholding taxes ⁽¹⁾	45,111	34,351
Dividends received, net of withholding taxes ⁽¹⁾	7,894,518	6,625,488

⁽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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.4%			
Communication Services – 2.0%			
Alphabet Inc., Class A	3,690	5,390,440	5,259,866
Consumer Discretionary – 7.1%			
Canadian Tire Corporation, Limited, Class A	27,850	3,945,946	3,975,309
Gildan Activewear Inc.	175,380	6,453,114	7,267,747
Restaurant Brands International Inc.	99,090	7,860,353	7,067,099
		<u>18,259,413</u>	<u>18,310,155</u>
Consumer Staples – 10.2%			
Alimentation Couche-Tard Inc., Class B	159,830	9,901,585	10,854,055
Metro Inc., Class A	168,580	6,924,880	7,980,577
Saputo Inc.	183,970	8,115,212	7,209,784
		<u>24,941,677</u>	<u>26,044,416</u>
Energy – 13.9%			
ARC Resources Ltd.	245,880	5,306,321	1,991,628
Canadian Natural Resources Ltd.	252,670	11,083,626	8,322,950
Enbridge Inc.	318,320	17,272,990	13,499,951
Keyera Corporation	77,770	2,868,685	2,007,244
Pembina Pipeline Corporation	172,110	6,816,401	6,972,176
Vermilion Energy, Inc.	96,330	5,271,337	2,770,451
		<u>48,619,360</u>	<u>35,564,400</u>
Financials – 34.5%			
Bank of Nova Scotia, The [†]	218,150	16,110,785	14,845,108
Brookfield Asset Management Inc., Class A	156,860	9,010,672	8,206,915
Great-West Lifeco Inc.	155,480	5,472,360	4,381,426
Industrial Alliance Insurance and Financial Services Inc.	71,200	4,023,506	3,102,184
Intact Financial Corporation	72,860	6,820,296	7,226,983
Manulife Financial Corporation	526,133	12,149,655	10,191,196
Royal Bank of Canada	156,540	13,904,679	14,627,098
Thomson Reuters Corporation	114,050	6,422,204	7,519,317
Toronto-Dominion Bank, The	270,950	17,320,032	18,386,667
		<u>91,234,189</u>	<u>88,486,894</u>
Health Care – 3.5%			
CVS Health Corporation	53,010	5,305,071	4,737,839
DaVita, Inc.	60,150	5,145,574	4,222,348
		<u>10,450,645</u>	<u>8,960,187</u>
Industrials – 14.5%			
CAE, Inc.	208,380	4,119,326	5,228,254
Canadian National Railway Company	137,170	12,408,180	13,869,259
Nielsen Holdings PLC	115,660	5,334,292	3,680,837
SNC-Lavalin Group Inc.	144,150	7,895,695	6,619,368
Stantec Inc.	176,640	6,136,890	5,283,302
WSP Global Inc.	43,130	2,184,238	2,530,437
		<u>38,078,621</u>	<u>37,211,457</u>
Information Technology – 7.4%			
CGI Group Inc., Class A	104,020	6,673,236	8,685,670
Open Text Corporation	230,230	9,615,526	10,245,235
		<u>16,288,762</u>	<u>18,930,905</u>
Materials – 6.3%			
CCL Industries Inc., Class B	129,550	6,421,192	6,485,273
Nutrien Ltd.	149,764	8,966,141	9,602,868
		<u>15,387,333</u>	<u>16,088,141</u>
Transaction Costs		(110,258)	
TOTAL INVESTMENT PORTFOLIO		<u>268,540,182</u>	<u>254,856,421</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			1,723,301
NET ASSETS – 100.0%			<u>256,579,722</u>

[†] Investment in related party (note 10)

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 investment objective is to achieve long term capital growth by investing in a diversified portfolio of equity securities primarily issued by Canadian companies.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	18,482,373	–	18,482,373	7.2
	18,482,373	–	18,482,373	7.2

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	21,014,164	–	21,014,164	7.4
	21,014,164	–	21,014,164	7.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$1,848,237 or approximately 0.7% of net assets (December 31, 2017 – \$2,101,416 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.4% (December 31, 2017 – 97.8%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$25,485,642 (December 31, 2017 – \$27,621,294). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	2.0	–
Consumer Discretionary	7.1	7.0
Consumer Staples	10.2	10.5
Energy	13.9	16.3
Financials	34.5	34.9
Health Care	3.5	4.2
Industrials	14.5	12.3
Information Technology	7.4	6.2
Materials	6.3	6.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	254,856,421	–	–	254,856,421
	254,856,421	–	–	254,856,421

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

Scotia Private Fundamental Canadian Equity 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, 2018 and December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Private Canadian All Cap Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	616,956,932	383,639,242
Cash	11,979,249	6,343,523
Receivable for securities sold	5,192,154	–
Subscriptions receivable	65,400	137,400
Accrued investment income and other	1,781,713	887,869
	<u>635,975,448</u>	<u>391,008,034</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,197,289	263,753
Accrued expenses	–	8
Distributions payable	–	1
	<u>1,197,289</u>	<u>263,762</u>
Net assets attributable to holders of redeemable units	<u>634,778,159</u>	<u>390,744,272</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	<u>634,778,159</u>	<u>390,744,272</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	<u>9.09</u>	<u>10.77</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	11,156,381	7,824,696
Interest for distribution purposes	197,629	69,617
Net realized gain (loss) on non-derivative financial assets	(4,715,096)	(17,193,304)
Change in unrealized gain (loss) on non-derivative financial assets	(83,670,240)	41,324,950
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(77,031,326)	32,025,959
Securities lending (note 11)	168,424	8,738
Net realized and unrealized foreign currency translation gain (loss)	(1,828)	(607)
Total income (loss), net	<u>(76,864,730)</u>	<u>32,034,090</u>
EXPENSES		
Fixed administration fees (note 6)	309,804	234,780
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	179	38
Foreign withholding taxes/tax reclaims	33,742	2,225
Other fund costs	–	1,353
Harmonized Sales Tax/Goods and Services Tax	32,839	25,004
Transaction costs	1,369,412	1,118,229
Total expenses	<u>1,747,225</u>	<u>1,382,764</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(78,611,955)</u>	<u>30,651,326</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	<u>(78,611,955)</u>	<u>30,651,326</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	<u>(1.87)</u>	<u>0.94</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	41,965,997	32,572,766

[†] 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.

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	390,744,272	310,166,242
	<u>390,744,272</u>	<u>310,166,242</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(78,611,955)	30,651,326
	<u>(78,611,955)</u>	<u>30,651,326</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(10,288,523)	(7,475,502)
	<u>(10,288,523)</u>	<u>(7,475,502)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	336,961,644	55,520,032
Reinvested distributions		
Series I	10,288,523	7,475,501
Payments on redemption		
Series I	(14,315,802)	(5,593,327)
	<u>332,934,365</u>	<u>57,402,206</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	244,033,887	80,578,030
	<u>244,033,887</u>	<u>80,578,030</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	634,778,159	390,744,272
	<u>634,778,159</u>	<u>390,744,272</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(78,611,955)	30,651,326
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	4,715,096	17,193,304
Change in unrealized (gain) loss on non-derivative financial assets	83,670,240	(41,324,950)
Unrealized foreign currency translation (gain) loss	539	(25)
Purchases of non-derivative financial assets and liabilities	(681,431,208)	(383,605,950)
Proceeds from sale of non-derivative financial assets and liabilities	355,469,564	329,084,864
Accrued investment income and other	(893,844)	(145,293)
Accrued expenses and other payables	(8)	(650)
Net cash provided by (used in) operating activities	<u>(317,081,576)</u>	<u>(48,147,374)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	337,033,644	55,382,632
Amounts paid on redemption of redeemable units	(14,315,802)	(5,593,327)
Distributions to unitholders of redeemable units	(1)	–
Net cash provided by (used in) financing activities	<u>322,717,841</u>	<u>49,789,305</u>
Unrealized foreign currency translation gain (loss)	(539)	25
Net increase (decrease) in cash	5,636,265	1,641,931
Cash (bank overdraft), beginning of period	6,343,523	4,701,567
CASH (BANK OVERDRAFT), END OF PERIOD	<u>11,979,249</u>	<u>6,343,523</u>
Interest paid ⁽¹⁾	179	38
Interest received, net of withholding taxes ⁽¹⁾	197,629	71,450
Dividends received, net of withholding taxes ⁽¹⁾	10,228,794	7,675,346

⁽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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.3%				EQUITIES (cont'd)			
Communication Services – 3.3%				Energy (cont'd)			
Aimia Inc.	127,000	458,475	468,630	Total Energy Services Inc.	33,000	404,094	322,410
BCE Inc.	51,489	2,800,540	2,776,802	TransCanada Corporation	160,000	9,067,738	7,800,000
Cogeco Communication Inc.	37,200	2,498,690	2,447,016	TransGlobe Energy Corporation	365,558	957,092	928,517
Corus Entertainment Inc., Class B	498,100	2,579,600	2,370,956	Whitecap Resources Inc.	101,300	836,774	440,655
Quebecor Inc., Class B	230,000	5,616,287	6,610,200	Yangarra Resources Ltd.	123,400	584,267	323,308
Rogers Communications, Inc., Class B	90,000	5,928,485	6,296,400			118,385,414	101,299,047
Stingray Digital Group Inc.	30,100	262,730	203,175				
		<u>20,144,807</u>	<u>21,173,179</u>	Financials – 26.1%			
Consumer Discretionary – 8.5%				Alaris Royalty Corporation			
Aritzia Inc., Subordinated Voting	478,100	8,541,594	7,840,840	Bank of Montreal	148,000	14,407,484	13,200,120
BMTC Group Inc.	6,470	102,086	84,045	Bank of Nova Scotia, The ¹	180,000	12,959,115	12,249,000
BRP Inc.	162,300	6,160,033	5,735,682	Brookfield Asset Management Inc., Class A	70,000	3,778,577	3,662,400
Canada Goose Holdings Inc.	74,200	3,911,783	4,428,256	Canaccord Financial Inc.	1,003,300	6,826,462	5,789,041
Canadian Tire Corporation, Limited, Class A	20,000	3,139,325	2,854,800	Canadian Imperial Bank of Commerce	104,000	11,469,837	10,574,720
Cogeco Inc.	39,100	2,460,650	2,277,184	E-L Financial Corporation Ltd.	800	654,373	598,288
Dollarama Inc.	25,000	1,098,317	811,750	Element Fleet Management Corporation	946,900	7,524,339	6,543,079
Gildan Activewear Inc.	160,000	6,386,997	6,630,400	Equitable Group Inc.	124,200	8,404,391	7,342,704
Great Canadian Gaming Corporation	152,300	7,640,790	7,290,601	Fiera Sceptre Inc.	23,400	305,675	264,186
Leon's Furniture Ltd.	23,500	421,048	353,205	Genworth MI Canada Inc.	137,000	5,908,469	5,507,400
Magna International Inc.	75,000	4,316,727	4,647,750	GMP Capital Inc.	163,255	328,177	306,919
Martina International Inc.	324,200	3,505,640	3,520,812	goeasy Ltd.	134,100	6,083,736	4,796,757
MTY Food Group Inc.	93,000	6,307,972	5,639,520	Home Capital Group Inc.	135,500	2,222,233	1,951,200
Points International Ltd.	36,900	826,311	502,578	Industrial Alliance Insurance and Financial Services Inc.	130,000	6,955,311	5,664,100
Pollard Banknote Ltd.	77,400	1,763,013	1,590,570	Manulife Financial Corporation	220,000	5,072,600	4,261,400
		<u>56,582,286</u>	<u>54,207,993</u>	National Bank of Canada	95,000	5,549,916	5,324,750
Consumer Staples – 2.8%				Power Corporation of Canada			
Alimentation Couche-Tard Inc., Class B	50,000	3,065,906	3,395,500	Royal Bank of Canada	296,000	27,596,091	27,658,240
Andrew Peller Ltd., Class A	50,000	738,683	684,500	Sun Life Financial Inc.	150,000	7,441,422	6,793,500
Empire Company Limited, Class A	200,000	4,910,527	5,766,000	TMX Group Inc.	55,000	4,583,942	3,890,150
George Weston Limited	48,000	4,981,141	4,322,400	Toronto-Dominion Bank, The	400,000	27,466,775	27,144,000
Jamieson Wellness Inc.	34,427	869,670	734,328	Uranium Participation Corporation	1,295,200	6,154,536	5,802,496
Maple Leaf Foods Inc.	80,000	2,544,115	2,186,400			179,282,994	165,661,775
North West Company Inc.	20,300	634,195	637,826	Health Care – 1.4%			
		<u>17,744,237</u>	<u>17,726,954</u>	Bausch Health Cos Inc.			
Energy – 16.0%				Canopy Growth Corporation			
Anglo Pacific Group PLC	59,300	149,051	145,878	Medical Facilities Corporation	163,000	2,467,746	2,451,520
Canacol Energy Ltd.	330,000	1,394,060	1,333,200			10,181,424	8,599,820
Canadian Natural Resources Ltd.	180,000	7,673,198	5,929,200	Industrials – 15.4%			
Cenovus Energy Inc.	300,000	3,337,039	2,880,000	Aecon Group Inc.			
Enbridge Inc.	240,000	11,457,282	10,178,400	Air Canada	315,000	7,279,858	8,177,400
Enerflex Ltd.	466,400	7,808,602	7,453,072	Algoma Central Corporation	25,400	385,067	322,072
Enerplus Corporation	327,500	4,293,572	3,478,050	ATS Automation Tooling Systems Inc.	10,600	180,409	152,534
Gibson Energy Inc.	381,000	8,144,803	7,117,080	Badger Daylighting Ltd.	250,900	7,120,579	8,091,525
Gran Tierra Energy, Inc.	419,600	1,506,004	1,250,408	Boyd Group Income Fund	55,100	6,099,932	6,223,545
Husky Energy Inc.	320,000	5,641,349	4,515,200	Brookfield Business Partners LP	148,100	6,890,912	6,157,998
Imperial Oil Ltd.	135,000	5,596,249	4,669,650	CAE, Inc.	220,000	5,262,399	5,519,800
International Petroleum Corporation	209,800	1,400,873	912,630	Canadian National Railway Company	135,000	14,473,229	13,649,850
Mullen Group Limited	35,000	575,275	427,350	Canadian Pacific Railway Limited	33,000	8,761,677	7,993,920
North American Construction Group Ltd.	182,977	1,911,774	2,223,171	DIRTT Environmental Solutions Ltd.	267,000	1,884,673	1,631,370
NuVista Energy Ltd.	168,000	1,354,679	685,440	Exchange Income Corporation	36,800	1,274,874	1,039,968
Parex Resources Inc.	271,000	4,685,591	4,430,850	Exco Technologies Ltd.	241,000	2,365,441	2,176,230
Parkland Fuel Corporation	130,000	5,519,573	4,594,200	Horizon North Logistics Inc.	424,600	1,051,007	764,280
Pason Systems Inc.	309,000	6,709,536	5,651,610	Magellan Aerospace Corporation	108,800	2,000,016	1,629,824
Pembina Pipeline Corporation	180,000	7,532,096	7,291,800	New Flyer Industries Inc.	3,900	185,426	132,756
Questor Technology Inc.	110,200	414,833	368,068	Russel Metals Inc.	100,600	2,829,465	2,145,798
Seven Generations Energy Ltd.	65,200	652,808	726,328	Stantec Inc.	80,000	2,728,387	2,392,800
Storm Resources Ltd.	199,200	604,875	346,608	TFI International Inc.	149,800	5,254,072	5,287,940
Suncor Energy, Inc.	320,000	14,163,488	12,201,600	Toromont Industries Ltd.	90,000	4,978,094	4,883,400
Surge Energy, Inc.	844,300	1,858,113	1,241,121	Transcontinental Inc., Class A	265,000	5,578,968	5,114,500
Tamarack Valley Energy Ltd.	300,000	1,192,727	708,000	Wajax Corporation	76,200	1,975,965	1,263,396
Tervita Corporation	94,400	752,152	592,832	Westshore Terminals Investment Corporation	231,300	5,964,007	4,760,154
TORC Oil & Gas Ltd.	30,300	205,847	132,411			103,106,810	97,648,641

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Information Technology – 3.5%			
Absolute Software Corporation	121,800	1,003,806	942,732
Celestica Inc.	50,000	790,304	598,000
CGI Group Inc., Class A	103,000	8,141,597	8,600,500
Constellation Software Inc.	5,500	4,786,149	4,806,230
Descartes Systems Group Inc., The	9,100	408,273	327,873
Enghouse Systems Limited	79,900	5,525,870	5,306,159
Evertz Technologies Ltd.	40,300	660,890	652,457
Sierra Wireless Inc.	7,110	179,023	130,326
Solium Capital Inc.	51,000	613,245	601,290
		<u>22,109,157</u>	<u>21,965,567</u>
Materials – 15.5%			
Altius Minerals Corporation	54,000	749,272	583,740
B2Gold Corporation	2,058,200	6,958,248	8,212,218
Barrick Gold Corporation	80,000	1,432,250	1,474,400
Canfor Corporation	140,000	2,923,177	2,314,200
Canfor Pulp Products Inc.	177,500	3,886,260	2,877,275
Cascades Inc.	307,000	3,795,900	3,140,610
Champion Iron Ltd.	813,000	977,390	869,910
Domtar Corporation	173,300	10,438,155	8,301,070
Dundee Precious Metals Inc.	275,300	917,411	991,080
Interfor Corporation	170,000	2,777,867	2,451,400
Intertape Polymer Group Inc.	137,600	2,543,875	2,328,192
Kirkland Lake Gold Ltd.	229,200	4,248,624	8,159,520
Labrador Iron Ore Royalty Corporation	155,200	4,745,445	3,762,048
Largo Resources Ltd.	1,830,600	6,204,377	5,180,598
Methanex Corporation	85,000	6,364,246	5,581,100
Norbord Inc.	78,000	2,919,073	2,831,400
North American Palladium Ltd.	12,100	134,811	130,559
Nutrien Ltd.	162,000	11,107,004	10,387,440
OceanGold Corporation	1,880,200	7,180,026	9,363,396
Pretium Resources Inc.	369,200	3,934,114	4,271,644
Roxgold Inc.	1,205,200	956,128	976,212
Teck Resources Ltd., Class B	140,000	4,712,759	4,114,600
Wesdome Gold Mines Ltd.	444,600	1,606,760	1,969,578
West Fraser Timber Co., Ltd.	85,000	5,253,152	5,732,400
Western Forest Products Inc.	170,000	422,045	321,300
Wipak Ltd.	41,500	2,003,946	1,981,625
		<u>99,192,315</u>	<u>98,307,515</u>
Real Estate – 2.3%			
Colliers International Group Inc.	71,400	5,975,734	5,375,706
FirstService Corporation	63,500	5,821,882	5,949,315
Granite Real Estate Investment Trust	7,500	409,875	399,075
Morguard North American Residential	127,000	2,131,807	2,178,050
Slate Retail Real Estate Investment Trust, Class U	60,300	742,677	708,525
		<u>15,081,975</u>	<u>14,610,671</u>
Utilities – 2.5%			
ATCO Ltd., Class I	120,000	4,670,364	4,633,200
Capital Power Corporation	115,000	3,279,763	3,057,850
Fortis Inc.	140,000	6,235,467	6,371,400
Polaris Infrastructure Inc.	164,400	2,088,690	1,693,320
		<u>16,274,284</u>	<u>15,755,770</u>
Transaction Costs		<u>(596,327)</u>	
TOTAL INVESTMENT PORTFOLIO		<u>657,489,376</u>	<u>616,956,932</u>
OTHER ASSETS, LESS LIABILITIES – 2.7%			<u>17,821,227</u>
NET ASSETS – 100.0%			<u>634,778,159</u>

† Investment in related party (note 10)

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 investment objective is to achieve long term capital growth by investing in a broad range of Canadian equity securities across the market cap spectrum.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	38,439	–	38,439	0.0
	38,439	–	38,439	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,523	–	1,523	0.0
	1,523	–	1,523	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$3,844 or approximately 0.0% of net assets (December 31, 2017 – \$152 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 97.3% (December 31, 2017 – 98.2%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$61,695,693 (December 31, 2017 – \$38,363,924). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	3.3	–
Consumer Discretionary	8.5	15.6
Consumer Staples	2.8	4.5
Energy	16.0	11.8
Financials	26.1	24.2
Health Care	1.4	0.4
Industrials	15.4	14.9
Information Technology	3.5	3.9
Materials	15.5	17.7
Real Estate	2.3	1.5
Telecommunication Services	–	1.5
Utilities	2.5	2.2

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	616,956,932	–	–	616,956,932
	616,956,932	–	–	616,956,932

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Private Canadian All Cap 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, 2018 or December 31, 2017.

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

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

Scotia Canadian Growth Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	316,493,756	380,115,553
Derivatives	116,356	-
Cash	573,602	1,640,015
Receivable for securities sold	2,740,354	-
Subscriptions receivable	624,003	195,277
Accrued investment income and other	616,759	634,876
	<u>321,164,830</u>	<u>382,585,721</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	2,283,128	-
Payable for securities purchased	2,509,334	-
Redemptions payable	275,201	352,700
	<u>5,067,663</u>	<u>352,700</u>
Net assets attributable to holders of redeemable units	<u>316,097,167</u>	<u>382,233,021</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	194,630,240	265,779,359
Advisor Series	18,834	22,382
Series F	499,904	363,533
Series I	<u>120,948,189</u>	<u>116,067,747</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	56.75	67.43
Advisor Series	55.17	65.56
Series F	62.32	73.33
Series I	<u>74.86</u>	<u>88.07</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,633,830	8,216,669
Interest for distribution purposes	3,533	19,591
Net realized gain (loss) on non-derivative financial assets	(931,522)	20,264,331
Change in unrealized gain (loss) on non-derivative financial assets	(49,168,328)	(13,373,986)
Net realized gain (loss) on derivatives	(5,782,004)	3,581,435
Change in unrealized gain (loss) on derivatives	<u>(2,166,772)</u>	<u>206,699</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(50,411,263)	18,914,739
Securities lending (note 11)	3,799	28,620
Net realized and unrealized foreign currency translation gain (loss)	144,421	(774,009)
Other income	1,527	1,136
Total income (loss), net	<u>(50,261,516)</u>	<u>18,170,486</u>
EXPENSES		
Management fees (note 5)	4,229,715	4,801,380
Fixed administration fees and operating expenses (note 6)	364,095	400,019
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	27,766	57,627
Foreign withholding taxes/tax reclaims	190,299	88,689
Harmonized Sales Tax/Goods and Services Tax	492,530	558,597
Transaction costs	678,768	950,057
Total expenses	<u>5,984,422</u>	<u>6,857,504</u>
Expenses absorbed by the Manager	(61)	(814)
Net expenses	<u>5,984,361</u>	<u>6,856,690</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(56,245,877)</u>	<u>11,313,796</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(37,587,334)	6,386,907
Advisor Series	(3,548)	521
Series F	(86,812)	14,523
Series I	<u>(18,568,183)</u>	<u>4,911,845</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(10.23)	1.58
Advisor Series	(10.40)	1.58
Series F	(13.88)	2.37
Series I	<u>(12.94)</u>	<u>4.05</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,674,198	4,036,186
Advisor Series	341	329
Series F	6,255	6,117
Series I	<u>1,435,359</u>	<u>1,213,964</u>

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

Scotia Canadian 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	265,779,359	291,896,670
Advisor Series	22,382	21,861
Series F	363,533	528,509
Series I	116,067,747	102,284,385
	<u>382,233,021</u>	<u>394,731,425</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(37,587,334)	6,386,907
Advisor Series	(3,548)	521
Series F	(86,812)	14,523
Series I	(18,568,183)	4,911,845
	<u>(56,245,877)</u>	<u>11,313,796</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(1,228,032)	(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)
	<u>(1,228,032)</u>	<u>(14,585,063)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	6,985,661	8,570,223
Series F	394,715	86,281
Series I	23,448,625	10,230,417
Reinvested distributions		
Series A	–	9,689,423
Advisor Series	–	815
Series F	–	9,957
Series I	1,228,032	4,826,352
Payments on redemption		
Series A	(40,547,446)	(41,019,745)
Series F	(171,532)	(261,960)
Series I	–	(1,358,900)
	<u>(8,661,945)</u>	<u>(9,227,137)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(71,149,119)	(26,117,311)
Advisor Series	(3,548)	521
Series F	136,371	(164,976)
Series I	4,880,442	13,783,362
	<u>(66,135,854)</u>	<u>(12,498,404)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	194,630,240	265,779,359
Advisor Series	18,834	22,382
Series F	499,904	363,533
Series I	120,948,189	116,067,747
	<u>316,097,167</u>	<u>382,233,021</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(56,245,877)	11,313,796
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	931,522	(20,264,331)
Change in unrealized (gain) loss on non-derivative financial assets	49,168,328	13,373,986
Change in unrealized (gain) loss on derivatives	2,166,772	(206,699)
Unrealized foreign currency translation (gain) loss	14,801	(6,932)
Other non-cash transactions	(272,093)	–
Purchases of non-derivative financial assets and liabilities	(449,373,684)	(466,509,104)
Proceeds from sale of non-derivative financial assets and liabilities	462,936,704	487,410,593
Accrued investment income and other	18,117	(106,202)
Accrued expenses and other payables	–	(17,636)
	<u>9,344,590</u>	<u>24,987,471</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,068,442	18,590,385
Amounts paid on redemption of redeemable units	(40,464,644)	(42,339,225)
Distributions to unitholders of redeemable units	–	(58,516)
	<u>(10,396,202)</u>	<u>(23,807,356)</u>
Net cash provided by (used in) operating activities		
	(10,396,202)	(23,807,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealized foreign currency translation gain (loss)	(14,801)	6,932
Net increase (decrease) in cash	(1,051,612)	1,180,115
Cash (bank overdraft), beginning of period	1,640,015	452,968
	<u>573,602</u>	<u>1,640,015</u>
CASH (BANK OVERDRAFT), END OF PERIOD		
	<u>573,602</u>	<u>1,640,015</u>
Interest paid ⁽¹⁾	27,766	57,627
Interest received, net of withholding taxes ⁽¹⁾	3,533	20,818
Dividends received, net of withholding taxes ⁽¹⁾	7,190,147	8,020,549

⁽¹⁾ Classified as operating items.

Scotia Canadian Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Units	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.4%				EQUITIES (cont'd)			
Communication Services – 12.4%				Health Care – 5.9%			
Alphabet Inc., Class C	11,101	12,130,856	15,682,199	Illumina Inc.	22,400	9,215,421	9,164,664
BCE Inc.	129,600	6,909,044	6,989,328	IQVIA Holdings Inc.	60,300	8,286,762	9,555,643
TELUS Corporation	110,400	5,113,589	4,995,600			<u>17,502,183</u>	<u>18,720,307</u>
Tencent Holdings Ltd.	130,500	6,493,532	7,056,521	Industrials – 7.0%			
Zayo Group Holdings Inc.	139,800	6,196,433	4,355,639	Bombardier Inc., Class B	1,900,300	7,281,682	3,857,609
		<u>36,843,454</u>	<u>39,079,287</u>	Finning International Inc.	213,300	5,271,330	5,076,540
Consumer Discretionary – 7.6%				Lockheed Martin Corporation	18,000	7,303,800	6,429,203
BRP Inc.	34,600	1,905,991	1,222,764	Waste Connections Inc.	66,100	6,044,105	6,697,913
Dollar Tree Inc.	63,500	7,328,068	7,823,594			<u>25,900,917</u>	<u>22,061,265</u>
Great Canadian Gaming Corporation	71,900	3,400,814	3,441,853	Information Technology – 18.5%			
Restaurant Brands International Inc.	61,200	4,972,820	4,364,784	Apple Inc.	26,200	7,717,192	5,637,568
Spin Master Corporation	183,000	9,951,777	7,025,370	CGI Group Inc., Class A	105,600	5,499,593	8,817,600
		<u>27,559,470</u>	<u>23,878,365</u>	MasterCard, Inc., Class A	38,400	10,100,496	9,881,814
Consumer Staples – 2.6%				Microsoft Corporation	85,400	6,751,700	11,832,376
Costco Wholesale Corporation	23,900	6,484,516	6,641,388	Salesforce.com, Inc.	61,200	10,277,503	11,434,719
Loblaw Companies Limited	26,100	1,598,294	1,594,971	Worldpay Inc.	104,500	11,066,918	10,895,039
		<u>8,082,810</u>	<u>8,236,359</u>			<u>51,413,402</u>	<u>58,499,116</u>
Energy – 9.2%				Materials – 5.4%			
Canadian Natural Resources Ltd.	259,200	10,882,914	8,538,048	Barrick Gold Corporation	296,800	5,419,905	5,470,024
EnCana Corporation	685,300	10,608,750	5,400,164	CCL Industries Inc., Class B	99,800	5,940,464	4,995,988
PrairieSky Royalty Ltd.	338,200	10,096,694	5,975,994	Nutrien Ltd.	103,300	7,346,511	6,623,596
Suncor Energy, Inc.	90,600	4,602,937	3,454,578			<u>18,706,880</u>	<u>17,089,608</u>
Vermilion Energy, Inc.	195,000	8,923,635	5,608,200	Real Estate – 1.7%			
		<u>45,114,930</u>	<u>28,976,984</u>	FirstService Corporation	57,700	5,674,385	5,405,913
Financials – 27.1%				Index Based Exchange-Traded Funds – 2.8%			
Bank of America Corporation	274,000	8,342,361	9,209,581	iShares S&P/TSX Global Gold Index ETF	769,400	8,561,437	9,001,980
Bank of Montreal	95,000	9,124,888	8,473,050	Transaction Costs		<u>(256,001)</u>	
Bank of Nova Scotia, The [†]	181,000	13,708,948	12,317,050	TOTAL INVESTMENT PORTFOLIO			
Brookfield Asset Management Inc., Class A	157,200	8,958,407	8,224,704			<u>335,399,860</u>	<u>316,493,756</u>
Intact Financial Corporation	66,500	6,916,340	6,596,135	Unrealized Gain (Loss) on Derivatives – (0.7%)			
Manulife Financial Corporation	450,600	10,382,301	8,728,122				<u>(2,166,772)</u>
Morgan Stanley	71,600	3,776,104	3,872,620	OTHER ASSETS, LESS LIABILITIES – 0.5%			
Royal Bank of Canada	201,700	20,073,150	18,846,848				<u>1,770,183</u>
Toronto-Dominion Bank, The	136,700	9,013,494	9,276,462	NET ASSETS – 100.0%			
		<u>90,295,993</u>	<u>85,544,572</u>				<u>316,097,167</u>

[†] Investment in related party (note 10)

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	100,000	Canadian Dollar	133,404	1.334	1.364	2,994
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	600,000	Canadian Dollar	800,405	1.334	1.364	17,984
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	900,000	Canadian Dollar	1,204,655	1.339	1.364	22,930
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	2,000,000	Canadian Dollar	2,682,380	1.341	1.364	45,584
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	1,100,000	Canadian Dollar	1,477,911	1.344	1.364	22,470
Bank of Montreal	A-1	Jan. 16, 2019	US Dollar	4,200,000	Canadian Dollar	5,724,323	1.363	1.364	4,394
									<u>116,356</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
State Street Bank & Trust Company	A-1+	Jan. 16, 2019	Canadian Dollar	3,254,500	US Dollar	2,500,000	0.768	0.733	(155,443)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	14,199,430	US Dollar	10,900,000	0.768	0.733	(667,924)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	3,904,830	US Dollar	3,000,000	0.768	0.733	(187,102)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	5,905,575	US Dollar	4,500,000	0.762	0.734	(229,143)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	11,036,760	US Dollar	8,400,000	0.761	0.734	(414,715)

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

Scotia Canadian Growth Fund (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 (\$)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	1,747,413	Hong Kong Dollar	10,200,000	5.837	5.734	(31,440)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	651,153	Hong Kong Dollar	3,800,000	5.836	5.734	(11,557)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	616,359	Hong Kong Dollar	3,600,000	5.841	5.734	(11,471)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	445,568	Hong Kong Dollar	2,600,000	5.835	5.734	(7,865)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	17,398,030	US Dollar	13,000,000	0.747	0.734	(316,039)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	5,483,877	US Dollar	4,100,000	0.748	0.734	(102,867)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	8,028,180	US Dollar	6,000,000	0.747	0.734	(147,544)
									<u>(2,283,110)</u>

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 investment objective is long-term capital growth. It invests primarily in a broad range of Canadian equity securities.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	123,461,696	(59,407,755)	64,053,941	20.3
Hong Kong Dollar	7,056,521	(3,522,828)	3,533,693	1.1
Japanese Yen	10,801	–	10,801	0.0
Swiss Franc	628	–	628	0.0
	130,529,646	(62,930,583)	67,599,063	21.4

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	119,956,055	–	119,956,055	31.4
Swiss Franc	716	–	716	0.0
	119,956,771	–	119,956,771	31.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$6,759,906 or approximately 2.1% of net assets (December 31, 2017 – \$11,995,678 or approximately 3.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

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

December 31, 2018, approximately 100.2% (December 31, 2017 – 99.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$31,649,376 (December 31, 2017 – \$38,011,555). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	12.4	–
Consumer Discretionary	7.6	7.5
Consumer Staples	2.6	4.5
Energy	9.2	12.5
Financials	27.1	26.6
Health Care	5.9	6.9
Index Based Exchange-Traded Funds	2.8	–
Industrials	7.0	14.0
Information Technology	18.5	14.0
Materials	5.4	7.7
Real Estate	1.7	–
Telecommunication Services	–	5.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	300,435,255	7,056,521	–	307,491,776
Underlying funds	9,001,980	–	–	9,001,980
Unrealized gain on currency forward contracts	–	116,356	–	116,356
	309,437,235	7,172,877	–	316,610,112
Unrealized loss on currency forward contracts	–	(2,283,110)	–	(2,283,110)
Unrealized loss on currency spot contracts	–	(18)	–	(18)
	309,437,235	4,889,749	–	314,326,984
	December 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	380,115,553	–	–	380,115,553
	380,115,553	–	–	380,115,553

Scotia Canadian Growth Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	-	695,497
Purchases	-	-
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Net realized gains (losses)	(1,649,400)	-
Net change in unrealized gain (loss)*	1,649,400	(695,497)
End of period	-	-

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was nil and (695,497), respectively.

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	116,356	(116,356)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	116,356	(116,356)	-	-

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/ received (\$)	Net Amount (\$)
Currency forward contracts	2,283,110	(116,356)	-	2,166,754
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	2,283,110	(116,356)	-	2,166,754

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund as at December 31, 2018. The Fund did not hold any interest in Underlying Funds as at December 31, 2017.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares S&P/TSX Global Gold Index ETF	9,001,980	1.1
	9,001,980	

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

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

Scotia Canadian Small Cap Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	21,291,257	30,926,846
Cash	669,607	1,372,471
Receivable for securities sold	—	3,839
Subscriptions receivable	2,767	2,823
Accrued investment income and other	36,257	45,942
	<u>21,999,888</u>	<u>32,351,921</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	24,636	—
Payable for securities purchased	—	6,186
Redemptions payable	9,975	10,211
	<u>34,611</u>	<u>16,397</u>
Net assets attributable to holders of redeemable units	<u>21,965,277</u>	<u>32,335,524</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	21,927,200	32,278,534
Series F	37,159	55,868
Series K	918	1,122
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	20.76	25.85
Series F	21.59	26.63
Series K	9.18	11.22

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	527,761	611,486
Interest for distribution purposes	38,590	24,102
Net realized gain (loss) on non-derivative financial assets	(3,772,921)	6,482,278
Change in unrealized gain (loss) on non-derivative financial assets	(1,722,939)	(5,610,833)
Net realized gain (loss) on derivatives	(90,050)	47,538
Change in unrealized gain (loss) on derivatives	(24,636)	9,086
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(5,044,195)	1,563,657
Securities lending (note 11)	3,836	83
Net realized and unrealized foreign currency translation gain (loss)	6,590	10,381
Other income	229	63
Total income (loss), net	<u>(5,033,540)</u>	<u>1,574,184</u>
EXPENSES		
Management fees (note 5)	486,531	592,879
Fixed administration fees (note 6)	72,350	92,930
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	—	179
Foreign withholding taxes/tax reclaims	596	1,085
Harmonized Sales Tax/Goods and Services Tax	58,567	71,305
Transaction costs	57,420	145,173
Total expenses	<u>676,713</u>	<u>904,686</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(5,710,253)</u>	<u>669,498</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(5,701,034)	688,091
Series F	(9,015)	1,843
Series K	(204)	46
Series M	—	(20,482)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(4.97)	0.51
Series F	(4.66)	0.88
Series K	(2.04)	0.46
Series M	—	(0.24)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,146,846	1,345,066
Series F	1,933	2,099
Series K	100	100
Series M	—	85,631

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

Scotia Canadian Small Cap Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	32,278,534	36,117,169
Series F	55,868	49,407
Series K	1,122	1,076
Series M	–	35,318,262
	<u>32,335,524</u>	<u>71,485,914</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(5,701,034)	688,091
Series F	(9,015)	1,843
Series K	(204)	46
Series M	–	(20,482)
	<u>(5,710,253)</u>	<u>669,498</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	894,812	1,039,968
Series F	11,155	9,834
Series M	–	127,059
Payments on redemption		
Series A	(5,545,112)	(5,566,694)
Series F	(20,849)	(5,216)
Series M	–	(35,424,839)
	<u>(4,659,994)</u>	<u>(39,819,888)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(10,351,334)	(3,838,635)
Series F	(18,709)	6,461
Series K	(204)	46
Series M	–	(35,318,262)
	<u>(10,370,247)</u>	<u>(39,150,390)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	21,927,200	32,278,534
Series F	37,159	55,868
Series K	918	1,122
Series M	–	–
	<u>21,965,277</u>	<u>32,335,524</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(5,710,253)	669,498
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	3,772,921	(6,482,278)
Change in unrealized (gain) loss on non-derivative financial assets	1,722,939	5,610,833
Change in unrealized (gain) loss on derivatives	24,636	(9,086)
Unrealized foreign currency translation (gain) loss	2,567	(518)
Other non-cash transactions	–	(56,740)
Purchases of non-derivative financial assets and liabilities	(13,273,335)	(18,773,906)
Proceeds from sale of non-derivative financial assets and liabilities	17,410,719	58,006,166
Accrued investment income and other	9,685	30,473
Accrued expenses and other payables	–	(2,819)
Net cash provided by (used in) operating activities	<u>3,959,879</u>	<u>38,991,623</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	894,867	1,244,237
Amounts paid on redemption of redeemable units	(5,555,043)	(41,062,144)
Net cash provided by (used in) financing activities	<u>(4,660,176)</u>	<u>(39,817,907)</u>
Unrealized foreign currency translation gain (loss)	(2,567)	518
Net increase (decrease) in cash	(700,297)	(826,284)
Cash (bank overdraft), beginning of period	<u>1,372,471</u>	<u>2,198,237</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>669,607</u>	<u>1,372,471</u>
Interest paid ⁽¹⁾	–	179
Interest received, net of withholding taxes ⁽¹⁾	38,590	24,713
Dividends received, net of withholding taxes ⁽¹⁾	536,850	583,524

⁽¹⁾ Classified as operating items.

Scotia Canadian Small Cap Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 96.8%				EQUITIES (cont'd)			
Communication Services – 3.2%				Materials – 9.1%			
Stingray Digital Group Inc.	105,450	720,242	711,788	Alamos Gold Inc.	40,500	384,409	198,855
Consumer Discretionary – 9.4%				Intertape Polymer Group Inc.	36,400	746,054	615,888
Great Canadian Gaming Corporation	12,000	543,218	574,440	Neo Performance Materials Inc.	12,900	228,453	198,660
Park Lawn Corporation	26,300	550,399	606,478	Osisko Gold Royalties Ltd.	31,400	444,254	375,858
Real Matters Inc.	139,500	1,059,396	460,350	Stella-Jones Inc.	15,500	662,681	613,955
Uni-Select Inc.	21,800	522,777	423,138			<u>2,465,851</u>	<u>2,003,216</u>
		<u>2,675,790</u>	<u>2,064,406</u>	Real Estate – 12.8%			
Consumer Staples – 8.2%				Altus Group Ltd.	41,100	1,024,080	972,837
Jamieson Wellness Inc.	25,600	427,063	546,048	Tricon Capital Group Inc.	105,900	1,014,126	1,026,171
Maple Leaf Foods Inc.	28,500	885,599	778,905	WPT Industrial Real Estate Investment Trust	48,800	778,709	818,126
Premium Brands Holdings Corporation	6,400	650,077	479,104			<u>2,816,915</u>	<u>2,817,134</u>
		<u>1,962,739</u>	<u>1,804,057</u>	Utilities – 2.9%			
Energy – 10.4%				Polaris Infrastructure Inc.	62,744	707,320	646,263
CES Energy Solutions Corporation	115,700	614,107	364,455	Transaction Costs		(39,615)	
Kelt Exploration Ltd.	68,800	348,435	319,232	TOTAL INVESTMENT PORTFOLIO		<u>21,660,145</u>	21,291,257
Parex Resources Inc.	37,500	607,540	613,125	Unrealized Gain (Loss) on Derivatives – (0.1%)			(24,636)
Parkland Fuel Corporation	13,100	363,640	462,954	OTHER ASSETS, LESS LIABILITIES – 3.3%			698,656
Tidewater Midstream and Infrastructure Ltd.	407,800	578,655	530,140	NET ASSETS – 100.0%			<u>21,965,277</u>
		<u>2,512,377</u>	<u>2,289,906</u>				
Financials – 8.9%							
Canadian Western Bank	11,100	382,007	289,044				
Fiera Sceptre Inc.	101,700	1,019,202	1,148,193				
Westair Corporation, The	200,600	534,973	517,548				
		<u>1,936,182</u>	<u>1,954,785</u>				
Health Care – 1.4%							
Sienna Senior Living Inc.	20,100	333,096	316,374				
Industrials – 16.4%							
Boyd Group Income Fund	10,600	622,423	1,197,270				
Brookfield Business Partners LP	17,000	563,300	706,860				
People Corporation	169,000	523,696	1,231,165				
Richelieu Hardware Ltd.	20,200	571,831	458,338				
		<u>2,281,250</u>	<u>3,593,633</u>				
Information Technology – 14.1%							
Absolute Software Corporation	34,400	213,981	266,256				
B5M Technologies Inc.	639,864	696,718	511,891				
Evertz Technologies Ltd.	27,400	436,373	443,606				
Kinaxis Inc.	11,100	883,454	731,490				
Paylocity Holding Corporation	6,200	460,405	509,224				
Solium Capital Inc.	53,200	597,067	627,228				
		<u>3,287,998</u>	<u>3,089,695</u>				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	130,270	US Dollar	100,000	0.768	0.733	(6,128)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	394,170	US Dollar	300,000	0.761	0.734	(14,811)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	133,831	US Dollar	100,000	0.747	0.734	(2,431)
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	66,866	US Dollar	50,000	0.748	0.734	(1,266)
									<u>(24,636)</u>

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 investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,514,708	(749,772)	764,936	3.5
	1,514,708	(749,772)	764,936	3.5

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	2,675,532	–	2,675,532	8.3
	2,675,532	–	2,675,532	8.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$76,494 or approximately 0.4% of net assets (December 31, 2017 – \$267,553 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 96.8% (December 31, 2017 – 95.6%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,129,126 (December 31, 2017 – \$3,092,685). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	3.2	–
Consumer Discretionary	9.4	10.5
Consumer Staples	8.2	2.7
Energy	10.4	16.4
Financials	8.9	6.0
Health Care	1.4	6.4
Industrials	16.4	19.9
Information Technology	14.1	11.8
Materials	9.1	8.8
Real Estate	12.8	8.5
Telecommunication Services	–	1.5
Utilities	2.9	3.1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	21,291,257	–	–	21,291,257
	21,291,257	–	–	21,291,257
Unrealized loss on currency forward contracts	–	(24,636)	–	(24,636)
	21,291,257	(24,636)	–	21,266,621

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

Transfers between levels

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

Scotia Canadian Small Cap Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	-	1,084,680
Purchases	-	-
Sales/Return of Capital	-	-
Transfer into Level 3	-	-
Transfers out of Level 3	-	-
Net realized gains (losses)	(1,925,700)	(1,080,160)
Net change in unrealized gain (loss)*	1,925,700	(4,520)
End of period	-	-

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was nil and \$(1,084,680), respectively.

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements. As at December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Financial assets – by type	December 31, 2018			
	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	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	24,636	-	-	24,636
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	24,636	-	-	24,636

Interest in Underlying Funds (note 2)

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

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

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

Scotia Resource Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	74,522,770	106,008,321
Derivatives	4,038	155,832
Cash	10,353,042	6,063,430
Cash collateral deposited on derivatives	163,693	163,267
Receivable for securities sold	201,076	633
Subscriptions receivable	21,011	80,051
Accrued investment income and other	151,598	204,113
	<u>85,417,228</u>	<u>112,675,647</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	264,809	152,566
Redemptions payable	51,071	226,521
	<u>315,880</u>	<u>379,087</u>
Net assets attributable to holders of redeemable units	<u>85,101,348</u>	<u>112,296,560</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	84,947,322	112,155,680
Series F	<u>154,026</u>	<u>140,880</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	20.85	23.68
Series F	<u>22.28</u>	<u>25.03</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	2,110,912	1,727,989
Interest for distribution purposes	87,497	61,897
Net realized gain (loss) on non-derivative financial assets	12,716,113	11,807,206
Change in unrealized gain (loss) on non-derivative financial assets	(24,449,775)	928,749
Net realized gain (loss) on derivatives	(390,227)	(193,737)
Change in unrealized gain (loss) on derivatives	<u>(264,037)</u>	<u>(196,251)</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(10,189,517)	14,135,853
Securities lending (note 11)	69,392	94,565
Net realized and unrealized foreign currency translation gain (loss)	386,114	(316,803)
Other income	2,572	1,766
Total income (loss), net	<u>(9,731,439)</u>	<u>13,915,381</u>
EXPENSES		
Management fees (note 5)	1,751,350	1,956,624
Fixed administration fees (note 6)	160,247	178,324
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,520	2,074
Foreign withholding taxes/tax reclaims	79,496	104,743
Harmonized Sales Tax/Goods and Services Tax	190,135	212,369
Transaction costs	206,649	202,423
Total expenses	<u>2,390,646</u>	<u>2,657,692</u>
Expenses absorbed by the Manager	(21,459)	(17,877)
Net expenses	<u>2,369,187</u>	<u>2,639,815</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(12,100,626)</u>	<u>11,275,566</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(12,077,578)	11,261,718
Series F	<u>(23,048)</u>	<u>13,848</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(2.76)	2.21
Series F	<u>(3.50)</u>	<u>2.56</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,373,464	5,100,264
Series F	6,582	5,402

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

Scotia Resource Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	112,155,680	114,541,335
Series F	140,880	112,632
	<u>112,296,560</u>	<u>114,653,967</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(12,077,578)	11,261,718
Series F	(23,048)	13,848
	<u>(12,100,626)</u>	<u>11,275,566</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(21,459)	–
From return of capital		
Series A	–	(17,877)
	<u>(21,459)</u>	<u>(17,877)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	5,400,691	9,501,166
Series F	105,426	17,284
Reinvested distributions		
Series A	21,459	17,877
Payments on redemption		
Series A	(20,531,471)	(23,148,539)
Series F	(69,232)	(2,884)
	<u>(15,073,127)</u>	<u>(13,615,096)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(27,208,358)	(2,385,655)
Series F	13,146	28,248
	<u>(27,195,212)</u>	<u>(2,357,407)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	84,947,322	112,155,680
Series F	154,026	140,880
	<u>85,101,348</u>	<u>112,296,560</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(12,100,626)	11,275,566
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(12,716,113)	(11,807,206)
Change in unrealized (gain) loss on non-derivative financial assets	24,449,775	(928,749)
Change in unrealized (gain) loss on derivatives	264,037	196,251
Unrealized foreign currency translation (gain) loss	51,507	(81,045)
Purchases of non-derivative financial assets and liabilities	(41,190,793)	(51,553,488)
Proceeds from sale of non-derivative financial assets and liabilities	60,742,240	64,391,258
Cash collateral deposited on derivatives	(426)	(163,267)
Accrued investment income and other	52,515	(93,657)
Accrued expenses and other payables	–	(7,439)
Net cash provided by (used in) operating activities	<u>19,552,116</u>	<u>11,228,224</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	5,462,731	9,487,784
Amounts paid on redemption of redeemable units	(20,673,728)	(22,990,990)
Net cash provided by (used in) financing activities	<u>(15,210,997)</u>	<u>(13,503,206)</u>
Unrealized foreign currency translation gain (loss)	(51,507)	81,045
Net increase (decrease) in cash	4,341,119	(2,274,982)
Cash (bank overdraft), beginning of period	6,063,430	8,257,367
CASH (BANK OVERDRAFT), END OF PERIOD	<u>10,353,042</u>	<u>6,063,430</u>
Interest paid ⁽¹⁾	1,520	2,074
Interest received, net of withholding taxes ⁽¹⁾	87,497	64,403
Dividends received, net of withholding taxes ⁽¹⁾	2,044,280	1,531,213

⁽¹⁾ Classified as operating items.

Scotia Resource Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 87.6%				EQUITIES (cont'd)			
Energy – 42.5%				Materials (cont'd)			
ARC Resources Ltd.	149,600	2,010,496	1,211,760	DowDuPont Inc.	24,200	2,114,626	1,765,450
Canadian Natural Resources Ltd.	107,100	3,900,350	3,527,874	Ero Copper Corporation, Restricted	361,000	1,144,807	3,541,410
ConocoPhillips	25,700	2,314,672	2,185,839	Kidman Resources Ltd.	2,450,000	1,785,386	2,566,922
Diamondback Energy Inc.	7,300	903,409	923,105	Kirkland Lake Gold Ltd.	60,000	1,248,454	2,136,000
Enbridge Inc.	48,407	2,352,226	2,052,941	Largo Resources Ltd.	1,070,000	2,024,089	3,028,100
Enplus Corporation	269,100	3,237,840	2,857,842	Lundin Mining Corporation	435,000	3,146,570	2,453,400
EOG Resources, Inc.	14,900	1,630,245	1,772,561	Neo Lithium Corporation	490,000	980,802	303,800
Marathon Oil Corporation	36,400	955,619	712,031	Northern Star Resources Ltd.	1,042,000	1,181,661	9,310,116
NexGen Energy Ltd.	1,430,000	835,171	3,446,300	South32 Ltd.	520,000	1,630,468	1,664,818
Occidental Petroleum Corporation	21,100	1,665,616	1,766,680	Syrah Resources Ltd.	787,000	1,323,532	1,140,831
Pembina Pipeline Corporation	67,430	2,430,523	2,731,589	Xanadu Mines Ltd.	11,568,100	2,243,970	1,163,315
Royal Dutch Shell PLC, Class B – ADR	38,000	2,813,741	3,107,055				
Suncor Energy, Inc.	99,602	3,599,251	3,797,824				
Tourmaline Oil Corporation	87,100	2,019,632	1,478,958	Transaction Costs		(78,026)	
TransCanada Corporation	67,779	2,850,771	3,304,226	TOTAL INVESTMENT PORTFOLIO		62,385,197	74,522,770
Whitecap Resources Inc.	292,700	2,659,048	1,273,245	Unrealized Gain (Loss) on Derivatives – (0.3%)			(260,771)
		36,178,610	36,149,830	OTHER ASSETS, LESS LIABILITIES – 12.7%			10,839,349
Materials – 45.1%				NET ASSETS – 100.0%			85,101,348
Agrico-Eagle Mines Limited	84,000	2,807,041	4,628,400				
BHP Billiton Ltd. – ADR	70,900	4,653,207	4,670,378				

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. 15, 2019	Australian Dollar	400,000	Canadian Dollar	384,143	0.96	0.961	337
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	2,910,013	Australian Dollar	3,026,000	1.04	1.04	1,293
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	2,806,794	Australian Dollar	2,919,000	1.04	1.04	926
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	1,351,287	Australian Dollar	1,405,000	1.04	1.04	741
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	336,543	Australian Dollar	350,000	1.04	1.04	108
									3,405

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. 16, 2019	Canadian Dollar	1,561,932	US Dollar	1,200,000	0.768	0.733	(74,840)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	1,574,820	US Dollar	1,200,000	0.762	0.734	(61,105)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	118,050	British Pound	70,000	0.593	0.573	(4,027)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	725,400	British Pound	430,000	0.593	0.573	(24,500)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	1,873,242	US Dollar	1,400,000	0.747	0.734	(34,427)
Bank of Montreal	A-1	Mar. 15, 2019	British Pound	20,000	Canadian Dollar	34,982	1.749	1.744	(101)
									(199,000)

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
11,600	5/4/2019	290,580	3.07%	(7,685)
800	5/8/2019	20,040	3.07%	(530)
11,000	5/9/2019	275,550	3.07%	(7,287)
1,600	5/10/2019	40,080	3.07%	(1,060)
2,800	5/18/2019	70,140	3.07%	(1,855)
7,600	5/30/2019	190,380	3.07%	(5,035)
3,400	6/1/2019	85,170	3.07%	(2,252)
5,600	5/1/2019	140,280	3.07%	(3,710)
3,400	5/2/2019	85,170	3.07%	(2,252)
1,600	5/3/2019	40,080	3.07%	(1,060)
300	8/17/2019	7,515	3.07%	(199)
100	8/26/2019	2,505	3.07%	(66)
3,900	10/16/2019	97,695	3.07%	(2,584)
10,600	11/29/2019	278,780	2.95%	(25,597)
2,700	4/24/2019	67,635	3.07%	(1,789)
4,300	4/25/2019	107,715	3.07%	(2,848)
				(65,809)

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

Scotia Resource Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	20,548,998	(5,180,367)	15,368,631	18.1
Australian Dollar	14,325,115	(7,017,383)	7,307,732	8.6
British Pound	1,664,818	(837,081)	827,737	1.0
	36,538,931	(13,034,831)	23,504,100	27.7

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	20,343,381	(4,701,672)	15,641,709	13.9
Australian Dollar	24,047,075	(11,288,786)	12,758,289	11.4
British Pound	6,081,546	(3,739,396)	2,342,150	2.1
	50,472,002	(19,729,854)	30,742,148	27.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$2,350,410 or approximately 2.8% of net assets (December 31, 2017 – \$3,074,215 or approximately 2.7%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

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

arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 87.5% (December 31, 2017 – 94.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$7,445,696 (December 31, 2017 – \$10,607,673). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Energy	42.5	51.9
Materials	45.1	42.5

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	58,676,768	15,846,002	–	74,522,770
Unrealized gain on currency forward contracts	–	3,405	–	3,405
Unrealized gain on currency spot contracts	–	633	–	633
	58,676,768	15,850,040	–	74,526,808
Unrealized loss on currency forward contracts	–	(199,000)	–	(199,000)
Unrealized loss on swap contracts	–	(65,809)	–	(65,809)
	58,676,768	15,585,231	–	74,261,999

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

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

Scotia Resource Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	-	-
Purchases	-	601,554
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	(1,426,900)
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	-	825,346
End of period	-	-

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was nil and \$825,346, respectively.

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	3,405	(842)	-	2,563
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	3,405	(842)	-	2,563

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	199,000	(842)	-	198,158
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	65,809	-	(163,693)	-
	264,809	(842)	(163,693)	198,158

Financial assets – by type	December 31, 2017			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	87,420	(87,420)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	68,412	-	-	68,412
	155,832	(87,420)	-	68,412

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	152,566	(87,420)	-	65,146
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	152,566	(87,420)	-	65,146

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Real Estate Income Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	363,048,197	334,059,408
Derivatives	18,394	751,626
Cash	39,850,902	27,358,316
Cash collateral deposited on derivatives	–	288,858
Subscriptions receivable	495,115	632,453
Accrued investment income and other	1,495,973	1,370,991
	<u>404,908,581</u>	<u>364,461,652</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,650,725	7,152
Redemptions payable	266,228	171,929
Accrued expenses	–	8
	<u>1,916,953</u>	<u>179,089</u>
Net assets attributable to holders of redeemable units	<u>402,991,628</u>	<u>364,282,563</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	4,392,672	2,988,798
Series K	28,451,535	22,888,185
Series M	370,147,421	338,405,580
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	11.60	11.54
Series K	9.30	9.28
Series M	13.15	13.05

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	5,356,871	5,827,003
Interest for distribution purposes	5,093,271	3,898,823
Net realized gain (loss) on non-derivative financial assets	10,769,998	7,328,096
Change in unrealized gain (loss) on non-derivative financial assets	(1,219,967)	667,467
Net realized gain (loss) on derivatives	(1,707,079)	1,721,248
Change in unrealized gain (loss) on derivatives	(2,376,805)	659,863
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	15,916,289	20,102,500
Securities lending (note 11)	76,157	58,995
Net realized and unrealized foreign currency translation gain (loss)	724,017	(580,309)
Total income (loss), net	<u>16,716,463</u>	<u>19,581,186</u>
EXPENSES		
Management fees (note 5)	543,638	925,950
Fixed administration fees (note 6)	286,475	230,321
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,499	652
Foreign withholding taxes/tax reclaims	654,799	818,768
Harmonized Sales Tax/Goods and Services Tax	82,246	70,174
Transaction costs	344,565	295,632
Total expenses	1,914,471	2,342,632
Expenses absorbed by the Manager	–	(462,975)
Net expenses	<u>1,914,471</u>	<u>1,879,657</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>14,801,992</u>	<u>17,701,529</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	147,999	163,149
Series K	970,685	731,165
Series M	13,683,308	16,807,215
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.45	0.20
Series K	0.35	0.47
Series M	0.50	0.70
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	329,484	818,013
Series K	2,763,628	1,568,254
Series M	27,241,795	23,995,404

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

Scotia Private Real Estate Income Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	2,988,798	9,425,663
Series K	22,888,185	4,286,328
Series M	338,405,580	277,662,969
	<u>364,282,563</u>	<u>291,374,960</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	147,999	163,149
Series K	970,685	731,165
Series M	13,683,308	16,807,215
	<u>14,801,992</u>	<u>17,701,529</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(107,619)	(259,139)
Series K	(644,100)	(332,380)
Series M	(8,631,502)	(7,788,876)
From net realized gains on investments		
Series I	(11,415)	(84,296)
Series K	(72,882)	(115,391)
Series M	(965,837)	(2,655,873)
From return of capital		
Series I	(14,694)	–
Series K	(198,863)	(95,600)
Series M	(1,315,769)	–
	<u>(11,962,681)</u>	<u>(11,331,555)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	1,465,625	5,185,604
Series K	11,116,011	19,967,218
Series M	81,713,319	88,644,979
Reinvested distributions		
Series I	133,728	343,434
Series K	915,708	543,339
Series M	10,073,724	9,494,161
Payments on redemption		
Series I	(209,750)	(11,785,617)
Series K	(6,523,209)	(2,096,494)
Series M	(62,815,402)	(43,758,995)
	<u>35,869,754</u>	<u>66,537,629</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	1,403,874	(6,436,865)
Series K	5,563,350	18,601,857
Series M	31,741,841	60,742,611
	<u>38,709,065</u>	<u>72,907,603</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	4,392,672	2,988,798
Series K	28,451,535	22,888,185
Series M	370,147,421	338,405,580
	<u>402,991,628</u>	<u>364,282,563</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	14,801,992	17,701,529
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(10,769,998)	(7,328,096)
Change in unrealized (gain) loss on non-derivative financial assets	1,219,967	(667,467)
Net realized (gain) loss on derivatives	–	(9,564)
Change in unrealized (gain) loss on derivatives	2,376,805	(659,863)
Unrealized foreign currency translation (gain) loss	144,926	(70,377)
Purchases of non-derivative financial assets and liabilities	(137,051,344)	(175,916,437)
Proceeds from sale of non-derivative financial assets and liabilities	117,612,586	104,306,387
Cash collateral deposited on derivatives	288,858	(288,858)
Accrued investment income and other	(124,982)	(380,501)
Accrued expenses and other payables	(8)	(1,810)
Net cash provided by (used in) operating activities	<u>(11,501,198)</u>	<u>(63,315,057)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	94,291,809	113,529,211
Amounts paid on redemption of redeemable units	(69,313,578)	(57,788,184)
Distributions to unitholders of redeemable units	(839,521)	(950,621)
Net cash provided by (used in) financing activities	24,138,710	54,790,406
Unrealized foreign currency translation gain (loss)	(144,926)	70,377
Net increase (decrease) in cash	12,637,512	(8,524,651)
Cash (bank overdraft), beginning of period	27,358,316	35,812,590
CASH (BANK OVERDRAFT), END OF PERIOD	<u>39,850,902</u>	<u>27,358,316</u>
Interest paid ⁽¹⁾	1,499	652
Interest received, net of withholding taxes ⁽¹⁾	5,093,271	3,913,634
Dividends received, net of withholding taxes ⁽¹⁾	4,577,092	4,612,921

⁽¹⁾ Classified as operating items.

Scotia Private Real Estate Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 90.1%				EQUITIES (cont'd)			
Canada – 55.7%				United States (cont'd)			
Allied Properties Real Estate Investment Trust	385,450	14,963,578	17,083,145	AvalonBay Communities Inc.	36,300	7,273,931	8,618,452
Boardwalk Real Estate Investment Trust	115,100	5,377,276	4,351,931	Boston Properties Inc.	48,900	6,898,297	7,507,632
Brookfield Property Partners LP	361,928	9,121,051	7,969,655	Columbia Property Trust Inc.	65,000	2,052,833	1,715,706
Canadian Apartment Properties Real Estate Investment Trust	281,951	6,208,725	12,490,429	Crown Castle International Corporation	31,500	3,884,624	4,667,765
Chartwell Retirement Residences	1,102,151	13,220,981	15,066,404	Digital Realty Trust Inc.	55,600	8,013,291	8,081,219
Choice Properties Real Estate Investment Trust	1,033,812	12,186,777	11,909,514	Equinix Inc.	21,000	11,647,303	10,099,525
Cominar Real Estate Investment Trust	947,400	11,470,896	10,610,880	Equity Residential Real Estate Investment Trust	94,500	7,769,902	8,509,228
Crombie Real Estate Investment Trust	606,200	7,811,993	7,589,624	Federal Realty Investment Trust	24,500	3,820,742	3,944,972
Dream Global Real Estate Investment Trust	594,273	5,669,439	7,071,849	Invitation Homes Inc.	158,000	4,509,063	4,327,822
Dream Industrial Real Estate Investment Trust	838,081	7,645,304	7,978,531	Kilroy Realty Corporation	56,900	5,272,688	4,880,602
First Capital Realty, Inc.	759,600	14,580,867	14,318,460	Macerich Company, The	106,000	6,716,002	6,258,089
Granite Real Estate Investment Trust	203,800	9,256,511	10,844,198	Prologis	165,500	8,614,417	13,256,616
H&R Real Estate Investment Trust	729,700	14,873,342	15,068,305	Public Storage Real Estate Investment Trust	14,900	4,269,225	4,114,024
InterRent Real Estate Investment Trust	586,600	3,181,339	7,655,130	Simon Property Group Inc.	48,920	9,829,621	11,210,333
Killam Apartment Real Estate Investment Trust	501,983	5,856,998	8,001,609	Ventas Inc.	110,800	8,354,046	8,855,476
Minto Apartment Real Estate Investment Trust	447,481	6,853,931	8,278,399	Vornado Realty Trust Real Estate Investment Trust	64,500	6,324,623	5,457,706
Morguard North American Residential	370,749	3,934,080	6,358,345	Weyerhaeuser Company	120,200	5,004,670	3,584,291
Northview Apartment Real Estate Investment Trust	320,400	6,559,366	7,843,392	WPT Industrial Real Estate Investment Trust	583,479	9,631,620	9,781,957
Pure Multi-Family REIT LP, Class A Units	688,300	5,633,905	5,821,275				
RioCan Real Estate Investment Trust	661,523	17,049,966	15,744,247				
Sienna Senior Living Inc.	472,081	6,944,524	7,430,555				
Smart Real Estate Investment Trust	490,200	13,591,258	15,112,866				
		201,992,107	224,598,743	Transaction Costs		(408,166)	
United States – 34.4%				TOTAL INVESTMENT PORTFOLIO		332,240,303	363,048,197
Alexandria Real Estate Equities, Inc.	33,800	5,220,437	5,313,352	Unrealized Gain (Loss) on Derivatives – (0.4%)			(1,632,331)
American Tower Corporation	38,300	5,549,027	8,264,687	OTHER ASSETS, LESS LIABILITIES – 10.3%			41,575,762
				NET ASSETS – 100.0%			402,991,628

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. 16, 2019	US Dollar	500,000	Canadian Dollar	668,692	1.337	1.364	13,299
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	200,000	Canadian Dollar	267,701	1.339	1.364	5,095
									18,394

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	2,602,210	US Dollar	2,000,000	0.769	0.733	(125,745)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	1,561,404	US Dollar	1,200,000	0.769	0.733	(75,369)
State Street Bank & Trust Company	A-1+	Jan. 16, 2019	Canadian Dollar	4,295,940	US Dollar	3,300,000	0.768	0.733	(205,184)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	2,475,130	US Dollar	1,900,000	0.768	0.733	(116,427)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	3,384,186	US Dollar	2,600,000	0.768	0.733	(162,155)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	266,809	US Dollar	200,000	0.75	0.733	(5,987)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	267,479	US Dollar	200,000	0.748	0.733	(5,316)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	133,401	US Dollar	100,000	0.75	0.733	(2,997)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	133,618	US Dollar	100,000	0.748	0.733	(2,780)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	2,491,955	US Dollar	1,900,000	0.762	0.734	(98,260)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	1,311,799	US Dollar	1,000,000	0.762	0.734	(51,472)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	6,168,045	US Dollar	4,700,000	0.762	0.734	(239,327)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	2,496,410	US Dollar	1,900,000	0.761	0.734	(93,804)
State Street Bank & Trust Company	A-1+	Feb. 20, 2019	Canadian Dollar	4,337,619	US Dollar	3,300,000	0.761	0.734	(161,175)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	2,141,296	US Dollar	1,600,000	0.747	0.734	(38,897)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	1,605,037	US Dollar	1,200,000	0.748	0.734	(30,108)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	5,753,529	US Dollar	4,300,000	0.747	0.734	(105,740)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	5,080,782	US Dollar	3,800,000	0.748	0.734	(97,176)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	1,738,601	US Dollar	1,300,000	0.748	0.734	(32,806)
									(1,650,725)

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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	155,182,577	(48,959,494)	106,223,083	26.4
	155,182,577	(48,959,494)	106,223,083	26.4
Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	160,839,689	(41,270,587)	119,569,102	32.8
Australian Dollar	204,638	(101,970)	102,668	0.0
	161,044,327	(41,372,557)	119,671,770	32.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$10,622,308 or approximately 2.6% of net assets (December 31, 2017 – \$11,967,177 or approximately 3.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 90.1% (December 31, 2017 – 91.7%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$36,304,820 (December 31, 2017 – \$33,405,941). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Canada	55.7	50.7
United States	34.4	41.0

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	363,048,197	–	–	363,048,197
Unrealized gain on currency forward contracts	–	18,394	–	18,394
	363,048,197	18,394	–	363,066,591
Unrealized loss on currency forward contracts	–	(1,650,725)	–	(1,650,725)
	363,048,197	(1,632,331)	–	361,415,866
	December 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	334,059,408	–	–	334,059,408
Unrealized gain on currency forward contracts	–	751,626	–	751,626
	334,059,408	751,626	–	334,811,034
Unrealized loss on currency forward contracts	–	(7,152)	–	(7,152)
	334,059,408	744,474	–	334,803,882

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as

Scotia Private Real Estate Income Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

December 31, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	18,394	(18,394)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	18,394	(18,394)	–	–

December 31, 2018				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,650,725	(18,394)	–	1,632,331
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,650,725	(18,394)	–	1,632,331

December 31, 2017				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	751,626	(7,152)	–	744,474
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	751,626	(7,152)	–	744,474

December 31, 2017				
Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	7,152	(7,152)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	7,152	(7,152)	–	–

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private North American Dividend Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	66,133,598	75,977,320
Cash	1,942,034	1,717,969
Subscriptions receivable	13,346	13,693
Accrued investment income and other	87,129	99,463
	<u>68,176,107</u>	<u>77,808,445</u>
LIABILITIES		
Current liabilities		
Redemptions payable	124,791	204,768
Distributions payable	—	1,701
	<u>124,791</u>	<u>206,469</u>
Net assets attributable to holders of redeemable units	<u>68,051,316</u>	<u>77,601,976</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	1,234	1,239
Series M	68,050,082	77,600,737
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	11.72	12.05
Series M	<u>15.01</u>	<u>15.43</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,822,362	1,844,632
Interest for distribution purposes	16,084	16,431
Net realized gain (loss) on non-derivative financial assets	3,162,111	3,394,523
Change in unrealized gain (loss) on non-derivative financial assets	(4,832,868)	5,962,945
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	167,689	11,218,531
Securities lending (note 11)	9,146	983
Net realized and unrealized foreign currency translation gain (loss)	18,018	(219,612)
Total income (loss), net	<u>194,853</u>	<u>10,999,902</u>
EXPENSES		
Management fees (note 5)	75,179	80,037
Fixed administration fees (note 6)	37,593	40,031
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	756	1,331
Foreign withholding taxes/tax reclaims	79,512	106,747
Harmonized Sales Tax/Goods and Services Tax	13,938	14,888
Transaction costs	17,970	32,855
Total expenses	<u>226,197</u>	<u>277,024</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(31,344)</u>	<u>10,722,878</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	(5)	(1,014)
Series M	<u>(31,339)</u>	<u>10,723,892</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	(0.05)	(2.33)
Series M	<u>(0.01)</u>	<u>1.94</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	103	436
Series M	4,761,615	5,514,702

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

Scotia Private North American 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	1,239	1,086
Series M	77,600,737	90,610,134
	<u>77,601,976</u>	<u>90,611,220</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	(5)	(1,014)
Series M	(31,339)	10,723,892
	<u>(31,344)</u>	<u>10,722,878</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(27)	(15)
Series M	(1,575,084)	(1,618,454)
	<u>(1,575,111)</u>	<u>(1,618,469)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	–	79,148
Series M	6,626,529	6,388,876
Reinvested distributions		
Series K	27	15
Series M	1,530,601	1,570,219
Payments on redemption		
Series K	–	(77,981)
Series M	(16,101,362)	(30,073,930)
	<u>(7,944,205)</u>	<u>(22,113,653)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	(5)	153
Series M	(9,550,655)	(13,009,397)
	<u>(9,550,660)</u>	<u>(13,009,244)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	1,234	1,239
Series M	68,050,082	77,600,737
	<u>68,051,316</u>	<u>77,601,976</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(31,344)	10,722,878
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,162,111)	(3,394,523)
Change in unrealized (gain) loss on non-derivative financial assets	4,832,868	(5,962,945)
Unrealized foreign currency translation (gain) loss	6,960	(22,402)
Other non-cash transactions	(59,469)	(4,512)
Purchases of non-derivative financial assets and liabilities	(10,714,237)	(20,674,025)
Proceeds from sale of non-derivative financial assets and liabilities	18,946,671	37,814,316
Accrued investment income and other	12,334	(12,039)
Accrued expenses and other payables	–	(416)
Net cash provided by (used in) operating activities	<u>9,831,672</u>	<u>18,466,332</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	6,626,876	6,398,682
Amounts paid on redemption of redeemable units	(16,181,339)	(30,002,995)
Distributions to unitholders of redeemable units	(46,184)	(46,534)
Net cash provided by (used in) financing activities	<u>(9,600,647)</u>	<u>(23,650,847)</u>
Unrealized foreign currency translation gain (loss)	(6,960)	22,402
Net increase (decrease) in cash	231,025	(5,184,515)
Cash (bank overdraft), beginning of period	1,717,969	6,880,082
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,942,034</u>	<u>1,717,969</u>
Interest paid ⁽¹⁾	756	1,331
Interest received, net of withholding taxes ⁽¹⁾	16,084	18,809
Dividends received, net of withholding taxes ⁽¹⁾	1,695,715	1,718,954

⁽¹⁾ Classified as operating items.

Scotia Private North American Dividend Pool (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 97.0%				EQUITIES (cont'd)			
Communication Services – 8.3%				Real Estate – 1.6%			
Alphabet Inc., Class C	1,286	1,129,153	1,816,711	Brookfield Property Partners LP	50,500	1,304,979	1,112,010
BCE Inc.	35,600	2,105,821	1,919,909	Transaction Costs		(36,767)	
Comcast Corporation, Class A	41,500	1,879,868	1,927,587	TOTAL INVESTMENT PORTFOLIO		55,696,824	66,133,598
		5,114,842	5,664,207	OTHER ASSETS, LESS LIABILITIES – 3.0%			1,917,718
Consumer Discretionary – 5.2%				NET ASSETS – 100.0%			
McDonald's Corporation	7,600	1,591,078	1,840,907				68,051,316
NIKE, Inc., Class B	17,100	1,505,518	1,729,407				
		3,096,596	3,570,314				
Consumer Staples – 13.9%							
Alimentation Couche-Tard Inc., Class B	27,700	1,649,851	1,881,107				
Costco Wholesale Corporation	4,800	1,038,889	1,333,835				
Estee Lauder Companies Inc., The	7,700	920,694	1,366,522				
George Weston Limited	3,240	301,774	291,762				
Loblaw Companies Limited	24,000	1,214,680	1,466,640				
McCormick & Company, Inc.	7,700	971,055	1,462,525				
Saputo Inc.	42,400	1,851,912	1,661,656				
		7,948,855	9,464,047				
Energy – 8.5%							
Canadian Natural Resources Ltd.	33,800	1,366,210	1,113,372				
Enbridge Inc.	43,200	2,178,845	1,832,112				
PrairieSky Royalty Ltd.	96,400	2,524,762	1,703,388				
Suncor Energy, Inc.	30,000	1,106,173	1,143,900				
		7,175,990	5,792,772				
Financials – 27.1%							
Bank of America Corporation	34,300	1,079,827	1,152,878				
Bank of Montreal	20,000	1,673,800	1,783,800				
Brookfield Asset Management Inc., Class A	32,700	1,453,909	1,710,864				
Intact Financial Corporation	18,890	1,322,747	1,873,699				
JPMorgan Chase & Co.	10,800	1,172,572	1,438,173				
Manulife Financial Corporation	93,300	2,063,579	1,807,221				
Power Corporation of Canada	76,500	2,163,871	1,876,545				
Royal Bank of Canada	36,820	1,953,434	3,440,461				
Toronto-Dominion Bank, The	49,820	1,964,815	3,380,785				
		14,848,554	18,464,426				
Health Care – 5.4%							
Danaher Corporation	14,700	1,504,004	2,067,802				
Johnson & Johnson	9,010	1,212,975	1,586,103				
		2,716,979	3,653,905				
Industrials – 10.2%							
Canadian National Railway Company	26,540	1,459,879	2,683,459				
Fortive Corporation	15,000	918,559	1,384,433				
Honeywell International Inc.	7,100	1,034,903	1,279,604				
United Parcel Service, Inc., Class B	12,100	1,750,031	1,609,801				
		5,163,372	6,957,297				
Information Technology – 7.9%							
Apple Inc.	6,905	842,682	1,485,779				
Microsoft Corporation	13,700	787,924	1,898,168				
Visa Inc., Class A	11,200	1,032,506	2,015,780				
		2,663,112	5,399,727				
Materials – 8.9%							
Air Products and Chemicals, Inc.	7,100	1,299,680	1,550,110				
Franco-Nevada Corporation	20,300	1,908,169	1,943,319				
Nutrien Ltd.	16,490	891,113	1,057,339				
Winpak Ltd.	31,500	1,601,350	1,504,125				
		5,700,312	6,054,893				

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 investment objective is to earn dividend income while providing long-term capital appreciation. It invests primarily in companies located in Canada and the United States.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	29,473,137	–	29,473,137	43.3
	29,473,137	–	29,473,137	43.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	33,209,980	–	33,209,980	42.8
	33,209,980	–	33,209,980	42.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$2,947,314 or approximately 4.3% of net assets (December 31, 2017 – \$3,320,998 or approximately 4.3%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 97.0% (December 31, 2017 – 97.9%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$6,613,360 (December 31, 2017 – \$7,597,732). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	8.3	–
Consumer Discretionary	5.2	9.7
Consumer Staples	13.9	13.8
Energy	8.5	10.2
Financials	27.1	26.1
Health Care	5.4	4.2
Industrials	10.2	11.2
Information Technology	7.9	10.7
Materials	8.9	9.4
Real Estate	1.6	–
Telecommunication Services	–	2.6

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	66,133,598	–	–	66,133,598
	66,133,598	–	–	66,133,598

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	75,977,320	–	–	75,977,320
	75,977,320	–	–	75,977,320

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Private North American Dividend 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, 2018 or December 31, 2017.

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

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

Scotia U.S. Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	119,182,960	105,823,000
Cash	14,538,906	6,514,304
Subscriptions receivable	459,970	486,127
Accrued investment income and other	120,573	89,378
	<u>134,302,409</u>	<u>112,912,809</u>
LIABILITIES		
Current liabilities		
Redemptions payable	121,847	142,530
	<u>121,847</u>	<u>142,530</u>
Net assets attributable to holders of redeemable units	<u>134,180,562</u>	<u>112,770,279</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	<u>134,180,562</u>	<u>112,770,279</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	<u>16.07</u>	<u>16.42</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	2,108,502	1,747,390
Interest for distribution purposes	164,024	239,487
Net realized gain (loss) on non-derivative financial assets	5,685,611	2,934,598
Change in unrealized gain (loss) on non-derivative financial assets	(7,551,114)	8,088,522
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	407,023	13,009,997
Securities lending (note 11)	17,393	1,292
Net realized and unrealized foreign currency translation gain (loss)	366,685	(54,157)
Other income	3,754	2,289
Total income (loss), net	<u>794,855</u>	<u>12,959,421</u>
EXPENSES		
Management fees (note 5)	1,990,479	1,508,938
Fixed administration fees (note 6)	318,477	240,221
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	277	82
Foreign withholding taxes/tax reclaims	259,366	242,103
Harmonized Sales Tax/Goods and Services Tax	230,896	175,965
Transaction costs	57,712	50,187
Total expenses	<u>2,858,456</u>	<u>2,218,631</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,063,601)</u>	<u>10,740,790</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	<u>(2,063,601)</u>	<u>10,740,790</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	<u>(0.27)</u>	<u>1.63</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	7,765,023	6,589,957

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	112,770,279	87,250,946
	<u>112,770,279</u>	<u>87,250,946</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(2,063,601)	10,740,790
	<u>(2,063,601)</u>	<u>10,740,790</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(284)	–
From net realized gains on investments		
Series A	(1,535,239)	–
	<u>(1,535,523)</u>	<u>–</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	48,164,089	32,858,919
Reinvested distributions		
Series A	1,525,822	–
Payments on redemption		
Series A	(24,680,504)	(18,080,376)
	<u>25,009,407</u>	<u>14,778,543</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	21,410,283	25,519,333
	<u>21,410,283</u>	<u>25,519,333</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	134,180,562	112,770,279
	<u>134,180,562</u>	<u>112,770,279</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,063,601)	10,740,790
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,685,611)	(2,934,598)
Change in unrealized (gain) loss on non-derivative financial assets	7,551,114	(8,088,522)
Unrealized foreign currency translation (gain) loss	51,663	(52,247)
Purchases of non-derivative financial assets and liabilities	(63,030,728)	(53,480,551)
Proceeds from sale of non-derivative financial assets and liabilities	47,805,265	35,352,412
Accrued investment income and other	(31,195)	(13,647)
Accrued expenses and other payables	–	(5,465)
Net cash provided by (used in) operating activities	<u>(15,403,093)</u>	<u>(18,481,828)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	48,190,246	32,743,239
Amounts paid on redemption of redeemable units	(24,701,187)	(18,164,721)
Distributions to unitholders of redeemable units	(9,701)	(25)
Net cash provided by (used in) financing activities	23,479,358	14,578,493
Unrealized foreign currency translation gain (loss)	(51,663)	52,247
Net increase (decrease) in cash	8,076,265	(3,903,335)
Cash (bank overdraft), beginning of period	6,514,304	10,365,392
CASH (BANK OVERDRAFT), END OF PERIOD	<u>14,538,906</u>	<u>6,514,304</u>
Interest paid ⁽¹⁾	277	82
Interest received, net of withholding taxes ⁽¹⁾	164,024	242,965
Dividends received, net of withholding taxes ⁽¹⁾	1,817,941	1,488,162

⁽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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 88.8%				EQUITIES (cont'd)			
Communication Services – 8.6%				Real Estate – 1.9%			
Activision Blizzard Inc.	40,700	3,590,775	2,585,528	Public Storage Real Estate Investment Trust	9,300	2,601,970	2,567,814
Alphabet Inc., Class C	2,200	2,456,939	3,107,904	Utilities – 2.1%			
Comcast Corporation, Class A	83,300	3,626,521	3,869,107	Brookfield Infrastructure Partners LP	61,050	2,492,783	2,875,616
Verizon Communications Inc.	26,200	1,704,448	2,009,281	Transaction Costs		(53,574)	
		<u>11,378,683</u>	<u>11,571,820</u>	TOTAL INVESTMENT PORTFOLIO		<u>110,763,103</u>	<u>119,182,960</u>
Consumer Discretionary – 5.2%				OTHER ASSETS, LESS LIABILITIES – 11.2%			<u>14,997,602</u>
McDonald's Corporation	13,400	2,201,903	3,245,809	NET ASSETS – 100.0%			<u><u>134,180,562</u></u>
NIKE, Inc., Class B	36,700	2,852,587	3,711,652				
		<u>5,054,490</u>	<u>6,957,461</u>				
Consumer Staples – 9.3%							
Anheuser-Busch InBev SA – ADR	26,300	3,189,491	2,361,002				
Coca-Cola Company, The	46,100	2,711,180	2,977,622				
Costco Wholesale Corporation	9,300	1,885,045	2,584,306				
Estee Lauder Companies Inc., The	14,000	1,634,939	2,484,586				
McCormick & Company, Inc.	10,700	1,373,258	2,032,340				
		<u>10,793,913</u>	<u>12,439,856</u>				
Energy – 3.2%							
Devon Energy Corporation	46,100	2,366,781	1,417,436				
EOG Resources, Inc.	13,900	1,609,222	1,653,597				
Schlumberger Limited	24,500	2,325,032	1,205,817				
		<u>6,301,035</u>	<u>4,276,850</u>				
Financials – 13.8%							
Bank of America Corporation	76,500	2,505,122	2,571,288				
Chubb Ltd.	17,600	2,941,069	3,101,391				
Invesco Limited	98,900	3,348,002	2,258,397				
JPMorgan Chase & Co.	25,600	2,979,475	3,409,003				
Morgan Stanley	47,500	2,259,764	2,569,126				
Progressive Corporation, The	33,500	2,882,950	2,756,936				
Wells Fargo & Company	29,700	2,057,878	1,866,885				
		<u>18,974,260</u>	<u>18,533,026</u>				
Health Care – 9.0%							
Anthem, Inc.	8,300	2,464,548	2,973,521				
Danaher Corporation	23,800	2,556,810	3,347,869				
Johnson & Johnson	17,500	2,564,716	3,080,667				
Medtronic PLC	21,100	2,259,854	2,618,072				
		<u>9,845,928</u>	<u>12,020,129</u>				
Industrials – 13.2%							
3M Company	10,400	2,312,389	2,703,137				
Canadian Pacific Railway Ltd.	18,200	3,851,848	4,409,730				
FedEx Corporation	14,400	4,179,983	3,169,029				
Fortive Corporation	29,100	2,229,561	2,685,800				
Parker-Hannifin Corporation	12,800	2,767,959	2,604,071				
Univar Inc.	89,000	3,158,199	2,153,735				
		<u>18,499,939</u>	<u>17,725,502</u>				
Information Technology – 13.1%							
Accenture PLC, Class A	13,200	1,769,271	2,539,057				
Apple Inc.	10,500	2,582,773	2,259,331				
FLIR Systems, Inc.	41,300	1,948,966	2,452,941				
Microsoft Corporation	26,500	1,488,478	3,671,639				
TE Connectivity Ltd.	28,400	3,258,951	2,929,956				
Visa Inc., Class A	21,000	2,192,595	3,779,587				
		<u>13,241,034</u>	<u>17,632,511</u>				
Materials – 9.4%							
Air Products and Chemicals, Inc.	15,100	2,953,367	3,296,714				
Franco-Nevada Corporation	36,500	2,973,139	3,493,759				
Martin Marietta Materials Inc.	12,800	3,656,733	3,000,949				
Shenwin-Williams Company, The	5,200	2,049,403	2,790,953				
		<u>11,632,642</u>	<u>12,582,375</u>				

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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	122,989,841	–	122,989,841	91.7
	122,989,841	–	122,989,841	91.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	109,060,195	–	109,060,195	96.7
	109,060,195	–	109,060,195	96.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$12,298,984 or approximately 9.2% of net assets (December 31, 2017 – \$10,906,020 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at

December 31, 2018, approximately 88.8% (December 31, 2017 – 93.9%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$11,918,296 (December 31, 2017 – \$10,582,300). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	8.6	–
Consumer Discretionary	5.2	7.8
Consumer Staples	9.3	10.2
Energy	3.2	4.0
Financials	13.8	12.5
Health Care	9.0	6.2
Industrials	13.2	20.8
Information Technology	13.1	15.7
Materials	9.4	10.4
Real Estate	1.9	2.3
Telecommunication Services	–	2.3
Utilities	2.1	1.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	119,182,960	–	–	119,182,960
	119,182,960	–	–	119,182,960

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	105,823,000	–	–	105,823,000
	105,823,000	–	–	105,823,000

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia U.S. Dividend 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, 2018 or December 31, 2017.

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

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

Scotia Private U.S. Dividend Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,412,615,640	1,255,963,321
Cash	126,729,817	132,729,930
Subscriptions receivable	1,645,914	1,994,724
Accrued investment income and other	961,706	804,283
	<u>1,541,953,077</u>	<u>1,391,492,258</u>
LIABILITIES		
Current liabilities		
Redemptions payable	1,043,150	1,711,990
	<u>1,043,150</u>	<u>1,711,990</u>
Net assets attributable to holders of redeemable units	<u>1,540,909,927</u>	<u>1,389,780,268</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	101,501	–
Series K	45,522,012	26,351,033
Series M	1,495,286,414	1,363,429,235
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	23.83	–
Series K	12.38	11.81
Series M	<u>23.83</u>	<u>22.84</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	25,711,391	23,641,543
Interest for distribution purposes	1,923,858	860,834
Net realized gain (loss) on non-derivative financial assets	19,771,935	45,592,961
Change in unrealized gain (loss) on non-derivative financial assets	37,976,191	108,997,957
Change in unrealized gain (loss) on derivatives	–	(1,294)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	85,383,375	179,092,001
Securities lending (note 11)	22,637	21,198
Net realized and unrealized foreign currency translation gain (loss)	1,425,753	(8,021,676)
Total income (loss), net	<u>86,831,765</u>	<u>171,091,523</u>
EXPENSES		
Management fees (note 5)	1,505,999	3,694,306
Fixed administration fees (note 6)	406,243	278,868
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	23,861	3,221
Foreign withholding taxes/tax reclaims	3,907,700	3,567,968
Harmonized Sales Tax/Goods and Services Tax	195,499	157,196
Transaction costs	247,862	370,191
Total expenses	6,288,413	8,072,885
Expenses absorbed by the Manager	–	(2,463,104)
Net expenses	<u>6,288,413</u>	<u>5,609,781</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>80,543,352</u>	<u>165,481,742</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	4,001	–
Series K	1,725,837	1,693,865
Series M	<u>78,813,514</u>	<u>163,787,877</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	0.94	–
Series K	0.52	1.46
Series M	<u>1.28</u>	<u>2.85</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	4,259	–
Series K	3,316,061	1,163,937
Series M	<u>61,795,950</u>	<u>57,469,853</u>

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

Scotia Private 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	–	–
Series K	26,351,033	2,877,035
Series M	1,363,429,235	1,215,337,694
	<u>1,389,780,268</u>	<u>1,218,214,729</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	4,001	–
Series K	1,725,837	1,693,865
Series M	78,813,514	163,787,877
	<u>80,543,352</u>	<u>165,481,742</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(543,158)	(219,678)
Series M	(20,479,803)	(20,028,835)
	<u>(21,022,961)</u>	<u>(20,248,513)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	97,500	–
Series K	32,316,546	24,693,399
Series M	307,679,836	303,907,009
Reinvested distributions		
Series K	543,158	219,678
Series M	18,444,959	18,067,949
Payments on redemption		
Series K	(14,871,404)	(2,913,266)
Series M	(252,601,327)	(317,642,459)
	<u>91,609,268</u>	<u>26,332,310</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	101,501	–
Series K	19,170,979	23,473,998
Series M	131,857,179	148,091,541
	<u>151,129,659</u>	<u>171,565,539</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	101,501	–
Series K	45,522,012	26,351,033
Series M	1,495,286,414	1,363,429,235
	<u>1,540,909,927</u>	<u>1,389,780,268</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	80,543,352	165,481,742
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(19,771,935)	(45,592,961)
Change in unrealized (gain) loss on non-derivative financial assets	(37,976,191)	(108,997,957)
Change in unrealized (gain) loss on derivatives	–	1,294
Unrealized foreign currency translation (gain) loss	162,017	(838,554)
Purchases of non-derivative financial assets and liabilities	(286,541,367)	(284,914,618)
Proceeds from sale of non-derivative financial assets and liabilities	187,637,173	365,703,776
Accrued investment income and other	(157,423)	849,235
Accrued expenses and other payables	–	(4,414)
Net cash provided by (used in) operating activities	<u>(76,104,374)</u>	<u>91,687,543</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	339,867,175	328,651,121
Amounts paid on redemption of redeemable units	(267,566,053)	(320,030,112)
Distributions to unitholders of redeemable units	(2,034,844)	(1,960,886)
Net cash provided by (used in) financing activities	<u>70,266,278</u>	<u>6,660,123</u>
Unrealized foreign currency translation gain (loss)	(162,017)	838,554
Net increase (decrease) in cash	(5,838,096)	98,347,666
Cash (bank overdraft), beginning of period	132,729,930	33,543,710
CASH (BANK OVERDRAFT), END OF PERIOD	<u>126,729,817</u>	<u>132,729,930</u>
Interest paid ⁽¹⁾	23,861	3,221
Interest received, net of withholding taxes ⁽¹⁾	1,923,858	875,533
Dividends received, net of withholding taxes ⁽¹⁾	21,646,268	20,908,112

⁽¹⁾ Classified as operating items.

Scotia Private U.S. Dividend Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 91.6%			
Communication Services – 5.9%			
Alphabet Inc., Class A	32,700	26,014,292	46,611,819
Comcast Corporation, Class A	955,620	34,586,897	44,386,508
		<u>60,601,189</u>	<u>90,998,327</u>
Consumer Discretionary – 8.8%			
Booking Holdings Inc.	17,000	42,120,888	39,942,626
Home Depot Inc., The	169,790	17,231,788	39,795,545
Ross Stores, Inc.	494,500	38,276,659	56,122,658
Tractor Supply Company	1,439	140,531	163,789
		<u>97,769,866</u>	<u>136,024,618</u>
Consumer Staples – 11.0%			
Nestlé S.A.	421,600	38,059,461	46,760,924
Unilever NV	748,200	40,605,720	55,467,414
Walmart Inc.	535,400	68,206,446	68,031,470
		<u>146,871,627</u>	<u>170,259,808</u>
Energy – 2.8%			
Valero Energy Corporation	416,400	38,328,484	42,584,040
Financials – 9.5%			
Fifth Third Bancorp	588,400	10,904,502	18,886,141
Progressive Corporation, The	568,600	19,748,416	46,793,853
Travelers Companies, Inc., The	154,500	26,960,773	25,237,866
U.S. Bancorp	264,100	10,606,161	16,463,919
W.R. Berkley Corporation	228,900	18,011,201	23,077,971
Wells Fargo & Company	247,300	8,841,776	15,544,803
		<u>95,072,829</u>	<u>146,004,553</u>
Health Care – 9.5%			
Baxter International Inc.	431,700	34,462,244	38,760,427
Danaher Corporation	376,600	40,388,909	52,975,108
Johnson & Johnson	308,370	37,126,515	54,284,865
		<u>111,977,668</u>	<u>146,020,400</u>
Industrials – 14.4%			
3M Company	196,400	42,823,273	51,047,711
Boeing Company, The	110,900	17,749,666	48,787,649
Nielsen Holdings PLC	708,800	42,727,478	22,557,298
Stanley Black & Decker Inc.	183,000	18,703,504	29,890,899
Union Pacific Corporation	265,100	26,683,569	49,987,413
Wabtec Corporation	211,200	22,771,208	20,238,992
		<u>171,458,698</u>	<u>222,509,962</u>
Information Technology – 27.2%			
Apple Inc.	78,400	9,715,310	16,869,668
CDW Corporation	554,000	45,879,946	61,250,750
Cognizant Technology Solutions Corporation	614,200	49,874,466	53,185,759
MasterCard, Inc., Class A	219,500	26,413,295	56,485,888
Microsoft Corporation	644,790	30,751,157	89,337,208
Oracle Corporation	924,000	51,000,453	56,908,659
Sabre Corporation	1,220,200	37,261,398	36,019,436
Visa Inc., Class A	275,100	23,218,343	49,512,596
		<u>274,114,368</u>	<u>419,569,964</u>
Materials – 2.5%			
Sherwin-Williams Company, The	72,000	36,049,540	38,643,968
Transaction Costs		(674,414)	
TOTAL INVESTMENT PORTFOLIO		<u>1,031,569,855</u>	<u>1,412,615,640</u>
OTHER ASSETS, LESS LIABILITIES – 8.4%			<u>128,294,287</u>
NET ASSETS – 100.0%			<u>1,540,909,927</u>

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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,318,130,682	–	1,318,130,682	85.5
European Euro	57,651,993	–	57,651,993	3.7
Swiss Franc	47,650,289	–	47,650,289	3.1
	1,423,432,964	–	1,423,432,964	92.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,208,782,759	–	1,208,782,759	87.0
European Euro	54,198,652	–	54,198,652	3.9
Swiss Franc	45,512,445	–	45,512,445	3.3
	1,308,493,856	–	1,308,493,856	94.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$142,343,296 or approximately 9.2% of net assets (December 31, 2017 – \$130,849,386 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 91.6% (December 31, 2017 – 90.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$141,261,564 (December 31, 2017 – \$125,596,332). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	5.9	–
Consumer Discretionary	8.8	15.4
Consumer Staples	11.0	7.1
Energy	2.8	3.5
Financials	9.5	8.6
Health Care	9.5	8.7
Industrials	14.4	21.8
Information Technology	27.2	25.3
Materials	2.5	–

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	1,310,387,302	102,228,338	–	1,412,615,640
	1,310,387,302	102,228,338	–	1,412,615,640

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	1,157,651,109	98,312,212	–	1,255,963,321
	1,157,651,109	98,312,212	–	1,255,963,321

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Private U.S. Dividend 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, 2018 or December 31, 2017.

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

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

Scotia U.S. Equity Fund

(formerly, Scotia U.S. Blue Chip Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	54,884,901	48,869,284
Cash	3,492,461	787,931
Subscriptions receivable	53,813	26,379
Accrued investment income and other	9,984	17,956
	<u>58,441,159</u>	<u>49,701,550</u>
LIABILITIES		
Current liabilities		
Redemptions payable	18,594	33,156
	<u>18,594</u>	<u>33,156</u>
Net assets attributable to holders of redeemable units	<u>58,422,565</u>	<u>49,668,394</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	58,175,793	49,588,223
Series F	<u>246,772</u>	<u>80,171</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.62	12.92
Series F	<u>14.22</u>	<u>13.37</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	703,437	722,999
Interest for distribution purposes	16,428	6,057
Net realized gain (loss) on non-derivative financial assets	1,319,377	1,353,820
Change in unrealized gain (loss) on non-derivative financial assets	1,805,687	6,722,229
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	3,844,929	8,805,105
Securities lending (note 11)	7,881	89
Net realized and unrealized foreign currency translation gain (loss)	(4,473)	(45,933)
Other income	5,539	182
Total income (loss), net	<u>3,853,876</u>	<u>8,759,443</u>
EXPENSES		
Management fees (note 5)	998,302	836,047
Fixed administration fees (note 6)	142,752	119,062
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	-	200
Foreign withholding taxes/tax reclaims	100,670	103,297
Harmonized Sales Tax/Goods and Services Tax	123,245	105,251
Transaction costs	2,062	6,486
Total expenses	<u>1,368,280</u>	<u>1,171,478</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,485,596</u>	<u>7,587,965</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,488,077	7,578,847
Series F	<u>(2,481)</u>	<u>9,118</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.61	1.88
Series F	<u>(0.32)</u>	<u>2.02</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	4,059,437	4,024,269
Series F	<u>7,799</u>	<u>4,504</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	49,588,223	50,079,954
Series F	80,171	8,697
	<u>49,668,394</u>	<u>50,088,651</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,488,077	7,578,847
Series F	(2,481)	9,118
	<u>2,485,596</u>	<u>7,587,965</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	16,225,849	5,992,637
Series F	188,514	62,909
Payments on redemption		
Series A	(10,126,356)	(14,063,215)
Series F	(19,432)	(553)
	<u>6,268,575</u>	<u>(8,008,222)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	8,587,570	(491,731)
Series F	166,601	71,474
	<u>8,754,171</u>	<u>(420,257)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	58,175,793	49,588,223
Series F	<u>246,772</u>	<u>80,171</u>
	<u>58,422,565</u>	<u>49,668,394</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,485,596	7,587,965
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,319,377)	(1,353,820)
Change in unrealized (gain) loss on non-derivative financial assets	(1,805,687)	(6,722,229)
Unrealized foreign currency translation (gain) loss	2,473	(7,352)
Purchases of non-derivative financial assets and liabilities	(6,768,036)	(6,714,789)
Proceeds from sale of non-derivative financial assets and liabilities	3,877,483	13,215,994
Accrued investment income and other	7,972	4,371
Accrued expenses and other payables	-	(3,411)
Net cash provided by (used in) operating activities	<u>(3,519,576)</u>	<u>6,006,729</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	16,224,728	6,052,529
Amounts paid on redemption of redeemable units	<u>(9,998,149)</u>	<u>(14,073,676)</u>
Net cash provided by (used in) financing activities	6,226,579	(8,021,147)
Unrealized foreign currency translation gain (loss)	(2,473)	7,352
Net increase (decrease) in cash	2,707,003	(2,014,418)
Cash (bank overdraft), beginning of period	787,931	2,794,997
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,492,461</u>	<u>787,931</u>
Interest paid ⁽¹⁾	-	200
Interest received, net of withholding taxes ⁽¹⁾	16,428	7,100
Dividends received, net of withholding taxes ⁽¹⁾	610,741	623,030

⁽¹⁾ Classified as operating items.

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

Scotia U.S. Equity Fund (Continued)

(formerly, Scotia U.S. Blue Chip Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 94.0%			
Communication Services – 9.4%			
Activision Blizzard Inc.	8,700	859,711	552,680
Alphabet Inc., Class A	800	478,524	1,140,350
Alphabet Inc., Class C	1,786	709,415	2,523,053
Facebook Inc.	7,000	1,312,034	1,251,746
		<u>3,359,684</u>	<u>5,467,829</u>
Consumer Discretionary – 6.5%			
Home Depot Inc., The	9,300	1,720,071	2,179,743
Lennar Corporation, Class A	1,800	141,020	96,129
Marriott International Inc., Class A	1,600	279,496	236,940
NIKE, Inc., Class B	12,900	1,176,907	1,304,641
		<u>3,317,494</u>	<u>3,817,453</u>
Consumer Staples – 10.9%			
Church & Dwight Co., Inc.	16,100	939,457	1,444,230
Constellation Brands, Inc., Class A	6,500	1,330,298	1,425,943
Costco Wholesale Corporation	5,700	805,661	1,583,929
Estee Lauder Companies Inc., The	10,800	901,869	1,916,680
		<u>3,977,285</u>	<u>6,370,782</u>
Energy – 2.2%			
Phillips 66 Company	10,700	1,384,277	1,257,441
Financials – 19.7%			
Berkshire Hathaway Inc., Class B	12,700	2,397,609	3,537,248
First Republic Bank	8,500	1,073,095	1,007,598
Moody's Corporation	6,500	1,320,844	1,241,693
Progressive Corporation, The	29,900	1,339,534	2,460,669
S&P Global Inc.	5,500	1,257,539	1,274,990
Wells Fargo & Company	31,500	1,832,332	1,980,029
		<u>9,220,953</u>	<u>11,502,227</u>
Health Care – 7.1%			
Danaher Corporation	12,400	856,419	1,744,268
Johnson & Johnson	13,600	1,947,027	2,394,118
		<u>2,803,446</u>	<u>4,138,386</u>
Industrials – 13.5%			
3M Company	1,100	293,838	285,909
Canadian National Railway Company	18,100	1,496,735	1,829,802
Fortive Corporation	13,200	807,068	1,218,301
Lockheed Martin Corporation	3,000	995,496	1,071,534
Republic Services, Inc.	10,100	657,633	993,219
Roper Technologies Inc.	500	200,048	181,781
Union Pacific Corporation	12,300	803,012	2,319,295
		<u>5,253,830</u>	<u>7,899,841</u>
Information Technology – 20.6%			
Apple Inc.	9,800	1,564,672	2,108,708
MasterCard, Inc., Class A	9,500	1,352,897	2,444,720
Microsoft Corporation	30,200	1,012,094	4,184,283
NVIDIA Corporation	1,100	281,522	200,319
Visa Inc., Class A	17,100	605,189	3,077,664
		<u>4,816,374</u>	<u>12,015,694</u>
Materials – 4.1%			
Sherwin-Williams Company, The	4,500	1,762,691	2,415,248
Transaction Costs		(11,550)	
TOTAL INVESTMENT PORTFOLIO		<u>35,884,484</u>	<u>54,884,901</u>
OTHER ASSETS, LESS LIABILITIES – 6.0%			<u>3,537,664</u>
NET ASSETS – 100.0%			<u>58,422,565</u>

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

Scotia U.S. Equity Fund (Continued) (formerly, Scotia U.S. Blue Chip Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is long-term capital growth. It invests primarily in a broad range of U.S. equity securities.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	55,071,351	–	55,071,351	94.3
	55,071,351	–	55,071,351	94.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	49,330,172	–	49,330,172	99.3
	49,330,172	–	49,330,172	99.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$5,507,135 or approximately 9.4% of net assets (December 31, 2017 – \$4,933,017 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 94.0% (December 31, 2017 – 98.3%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$5,488,490 (December 31, 2017 – \$4,886,928). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	9.4	–
Consumer Discretionary	6.5	10.2
Consumer Staples	10.9	11.6
Energy	2.2	1.0
Financials	19.7	19.2
Health Care	7.1	8.2
Industrials	13.5	13.5
Information Technology	20.6	29.1
Materials	4.1	5.5

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	54,884,901	–	–	54,884,901
	54,884,901	–	–	54,884,901

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	48,869,284	–	–	48,869,284
	48,869,284	–	–	48,869,284

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia U.S. Equity Fund (Continued) (formerly, Scotia U.S. Blue Chip Fund)

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, 2018 or December 31, 2017.

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

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

Scotia U.S. Opportunities Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	23,754,592	26,031,927
Derivatives	5,047	363,188
Cash	338,284	980,402
Receivable for securities sold	17,218,411	124,083
Subscriptions receivable	4,060	5,777
Accrued investment income and other	22,528	22,929
	<u>41,342,922</u>	<u>27,528,306</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	–	238,138
Payable for securities purchased	17,278,169	–
Redemptions payable	9,116	59,382
	<u>17,287,285</u>	<u>297,520</u>
Net assets attributable to holders of redeemable units	<u>24,055,637</u>	<u>27,230,786</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	22,852,741	26,451,099
Series F	32,089	534
Series I	1,170,807	779,153
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.52	12.93
Series F	13.09	13.37
Series I	16.58	16.72

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	477,260	441,781
Interest for distribution purposes	204	17,378
Net realized gain (loss) on non-derivative financial assets	276,113	(108,351)
Change in unrealized gain (loss) on non-derivative financial assets	(671,054)	41,483
Net realized gain (loss) on derivatives	170,454	483,675
Change in unrealized gain (loss) on derivatives	(247,154)	312,737
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	5,823	1,188,703
Securities lending (note 11)	24	737
Net realized and unrealized foreign currency translation gain (loss)	17,787	(246,202)
Other income	377	554
Total income (loss), net	<u>24,011</u>	<u>943,792</u>
EXPENSES		
Management fees (note 5)	454,930	469,933
Fixed administration fees (note 6)	92,030	94,540
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	2,684	766
Foreign withholding taxes/tax reclaims	66,760	54,981
Harmonized Sales Tax/Goods and Services Tax	57,761	59,598
Transaction costs	44,644	45,316
Total expenses	720,058	726,269
Expenses absorbed by the Manager	(5,202)	–
Net expenses	<u>714,856</u>	<u>726,269</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(690,845)</u>	<u>217,523</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(659,431)	191,763
Series F	(2,056)	316
Series I	(29,358)	25,444
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.34)	0.09
Series F	(1.38)	0.60
Series I	(0.51)	0.54
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,930,276	2,139,816
Series F	1,486	524
Series I	57,331	46,920

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

Scotia U.S. Opportunities Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	26,451,099	28,146,860
Series F	534	21,987
Series I	779,153	834,739
	<u>27,230,786</u>	<u>29,003,586</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(659,431)	191,763
Series F	(2,056)	316
Series I	(29,358)	25,444
	<u>(690,845)</u>	<u>217,523</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,059,637	2,319,082
Series F	33,611	—
Series I	459,262	57,475
Payments on redemption		
Series A	(4,998,564)	(4,206,606)
Series F	—	(21,769)
Series I	(38,250)	(138,505)
	<u>(2,484,304)</u>	<u>(1,990,323)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(3,598,358)	(1,695,761)
Series F	31,555	(21,453)
Series I	391,654	(55,586)
	<u>(3,175,149)</u>	<u>(1,772,800)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	22,852,741	26,451,099
Series F	32,089	534
Series I	1,170,807	779,153
	<u>24,055,637</u>	<u>27,230,786</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(690,845)	217,523
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(276,113)	108,351
Change in unrealized (gain) loss on non-derivative financial assets	671,054	(41,483)
Net realized (gain) loss on derivatives	(141,665)	19,147
Change in unrealized (gain) loss on derivatives	247,154	(312,737)
Unrealized foreign currency translation (gain) loss	499	(13,944)
Other non-cash transactions	(10,730)	(22,036)
Purchases of non-derivative financial assets and liabilities	(125,702,521)	(74,070,900)
Proceeds from sale of non-derivative financial assets and liabilities	127,793,999	74,718,772
Accrued investment income and other	401	(5,251)
Accrued expenses and other payables	—	(2,021)
Net cash provided by (used in) operating activities	<u>1,891,233</u>	<u>595,421</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,520,617	2,388,510
Amounts paid on redemption of redeemable units	(5,053,469)	(4,364,649)
Net cash provided by (used in) financing activities	<u>(2,532,852)</u>	<u>(1,976,139)</u>
Unrealized foreign currency translation gain (loss)	(499)	13,944
Net increase (decrease) in cash	(641,619)	(1,380,718)
Cash (bank overdraft), beginning of period	980,402	2,347,176
CASH (BANK OVERDRAFT), END OF PERIOD	<u>338,284</u>	<u>980,402</u>
Interest paid ⁽¹⁾	2,684	766
Interest received, net of withholding taxes ⁽¹⁾	204	18,265
Dividends received, net of withholding taxes ⁽¹⁾	400,171	358,626

⁽¹⁾ Classified as operating items.

Scotia U.S. Opportunities Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 98.7%				EQUITIES (cont'd)			
Communication Services – 13.7%				Health Care (cont'd)			
Alphabet Inc., Class A	330	468,036	470,395	Medtronic PLC	4,946	616,142	613,696
AT&T Inc.	2,606	107,424	101,456	Merck & Co., Inc.	5,857	577,410	610,484
Facebook Inc.	2,589	522,338	462,967	Pfizer Inc.	10,276	609,802	611,867
Netflix Inc.	1,346	487,621	491,448			<u>2,872,761</u>	<u>2,908,963</u>
Omnicom Group Inc.	5,484	543,465	547,891	Industrials – 7.6%			
Verizon Communications Inc.	7,987	593,541	612,524	Honeywell International Inc.	3,376	662,729	608,443
Walt Disney Company, The	4,130	615,396	617,742	Republic Services, Inc.	6,137	597,087	603,503
		<u>3,337,821</u>	<u>3,304,423</u>	Waste Management, Inc.	5,039	597,278	611,694
Consumer Discretionary – 11.5%						<u>1,857,094</u>	<u>1,823,640</u>
Amazon.com, Inc.	233	374,708	477,382	Information Technology – 17.9%			
Garmin Ltd.	7,027	605,395	606,959	Amphenol Corporation	5,486	606,274	606,313
Genuine Parts Company	4,640	605,633	607,755	Citrix Systems, Inc.	4,353	607,659	608,403
McDonald's Corporation	1,974	471,261	478,151	Fidelity National Information Service, Inc.	4,379	610,476	612,575
Yum! Brands, Inc.	4,819	602,938	604,248	Fiserv, Inc.	6,074	611,292	608,904
		<u>2,659,935</u>	<u>2,774,495</u>	Jack Henry & Associates Inc.	3,537	607,524	610,440
Consumer Staples – 7.7%				Microsoft Corporation	3,435	393,769	475,928
Coca-Cola Company, The	9,353	601,123	604,115	Motorola Solutions, Inc.	1,136	188,677	178,269
Mondelez International, Inc.	1,859	101,155	101,511	Paychex, Inc.	6,826	615,504	606,638
PepsiCo, Inc.	4,016	603,682	605,238			<u>4,241,175</u>	<u>4,307,470</u>
Procter & Gamble Company, The	4,388	504,733	550,206	Materials – 3.1%			
		<u>1,810,693</u>	<u>1,861,070</u>	Air Products and Chemicals, Inc.	601	131,408	131,214
Energy – 3.5%				Ecolab Inc.	3,058	609,895	614,662
Chevron Corporation	1,540	243,634	228,538			<u>741,303</u>	<u>745,876</u>
Exxon Mobil Corporation	6,476	607,084	602,388	Real Estate – 2.5%			
		<u>850,718</u>	<u>830,926</u>	Crown Castle International Corp.	4,099	603,332	607,402
Financials – 15.5%				Utilities – 3.6%			
Aon PLC	3,072	608,552	609,137	Duke Energy Corporation	2,142	251,539	252,162
Arthur J. Gallagher & Co.	6,111	605,643	614,368	Exelon Corporation	9,906	589,052	609,430
Bank of America Corporation	10,606	380,822	356,485			<u>840,591</u>	<u>861,592</u>
Citigroup Inc.	4,991	386,699	354,438	Transaction Costs		(2,781)	
JPMorgan Chase & Co.	2,671	354,544	355,682	TOTAL INVESTMENT PORTFOLIO		<u>23,585,034</u>	<u>23,754,592</u>
Marsh & McLennan Companies, Inc.	5,597	610,472	608,884	Unrealized Gain (Loss) on Derivatives – 0.0%			5,047
NASDAQ OMX Group, Inc., The	1,991	220,251	221,539	OTHER ASSETS, LESS LIABILITIES – 1.3%			295,998
Willis Towers Watson PLC	2,936	605,409	608,202	NET ASSETS – 100.0%			<u>24,055,637</u>
		<u>3,772,392</u>	<u>3,728,735</u>				
Health Care – 12.1%							
Becton, Dickinson and Company	1,499	458,720	460,734				
Danaher Corporation	4,352	610,687	612,182				

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. 20, 2019	US Dollar	200,000	Canadian Dollar	267,608	1.338	1.363	5,047
									<u>5,047</u>

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 investment objective is to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	23,760,268	267,774	24,028,042	99.9
	23,760,268	267,774	24,028,042	99.9

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	27,144,120	–	27,144,120	99.7
	27,144,120	–	27,144,120	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$2,402,804 or approximately 10.0% of net assets (December 31, 2017 – \$2,714,412 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 98.7% (December 31, 2017 – 96.2%) of the Fund's net assets were directly exposed to price risk. If prices of

these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,375,459 (December 31, 2017 – \$2,615,698). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	13.7	–
Consumer Discretionary	11.5	10.3
Consumer Staples	7.7	7.7
Currency Options	–	0.5
Energy	3.5	5.7
Financials	15.5	13.6
Health Care	12.1	14.3
Industrials	7.6	10.2
Information Technology	17.9	24.6
Materials	3.1	3.3
Real Estate	2.5	2.3
Telecommunication Services	–	1.4
Utilities	3.6	2.3

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Equities	23,754,592	–	–	23,754,592
Unrealized gain on currency forward contracts	–	5,047	–	5,047
	23,754,592	5,047	–	23,759,639

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	26,031,927	–	–	26,031,927
Warrants, rights and options	–	363,188	–	363,188
	26,031,927	363,188	–	26,395,115
Liability for written options	–	(238,138)	–	(238,138)
	26,031,927	125,050	–	26,156,977

Transfers between levels

During the periods ended December 31, 2018 and December 31, 2017, 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)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	5,047	-	-	5,047
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	5,047	-	-	5,047

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	-	-	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	-	-	-	-

Financial assets – by type	December 31, 2017			
	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	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	-	-	-	-
Options contracts – OTC	238,138	(238,138)	-	-
Swap contracts – OTC	-	-	-	-
	238,138	(238,138)	-	-

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private International Core Equity Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	965,693,228	874,992,204
Cash	82,622,490	90,145,183
Subscriptions receivable	1,034,388	1,563,247
Accrued investment income and other	545,180	284,597
	<u>1,049,895,286</u>	<u>966,985,231</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	–	100
Payable for securities purchased	–	1,360,684
Redemptions payable	765,657	1,248,056
Distributions payable	–	1,681
	<u>765,657</u>	<u>2,610,521</u>
Net assets attributable to holders of redeemable units	<u>1,049,129,629</u>	<u>964,374,710</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series K	72,042,624	53,281,665
Series M	<u>977,087,005</u>	<u>911,093,045</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series K	11.12	11.73
Series M	<u>11.88</u>	<u>12.56</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	23,071,570	19,677,779
Interest for distribution purposes	1,385,064	451,245
Net realized gain (loss) on non-derivative financial assets	19,077,282	(26,066,936)
Change in unrealized gain (loss) on non-derivative financial assets	(81,472,692)	149,872,386
Change in unrealized gain (loss) on derivatives	100	30,448
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(37,938,676)	143,964,922
Securities lending (note 11)	120,720	82,534
Net realized and unrealized foreign currency translation gain (loss)	139,126	(97,610)
Total income (loss), net	<u>(37,678,830)</u>	<u>143,949,846</u>
EXPENSES		
Management fees (note 5)	1,000,575	2,375,546
Fixed administration fees (note 6)	1,982,456	1,501,998
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	17,622	1,002
Foreign withholding taxes/tax reclaims	2,569,989	1,783,512
Harmonized Sales Tax/Goods and Services Tax	300,190	232,422
Transaction costs	1,084,364	803,733
Total expenses	6,956,445	6,699,348
Expenses absorbed by the Manager	–	(1,615,806)
Net expenses	<u>6,956,445</u>	<u>5,083,542</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(44,635,275)</u>	<u>138,866,304</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series K	(2,872,741)	4,590,552
Series M	<u>(41,762,534)</u>	<u>134,275,752</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series K	(0.52)	1.66
Series M	<u>(0.53)</u>	<u>2.01</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series K	5,523,973	2,764,622
Series M	<u>78,433,516</u>	<u>66,881,572</u>

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

Scotia Private 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series K	53,281,665	6,555,871
Series M	911,093,045	680,466,105
	<u>964,374,710</u>	<u>687,021,976</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series K	(2,872,741)	4,590,552
Series M	(41,762,534)	134,275,752
	<u>(44,635,275)</u>	<u>138,866,304</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series K	(1,274,983)	(918,871)
Series M	(17,246,145)	(15,018,017)
	<u>(18,521,128)</u>	<u>(15,936,888)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series K	36,896,372	45,974,135
Series M	251,809,638	264,109,021
Reinvested distributions		
Series K	1,274,927	917,769
Series M	15,248,528	13,111,844
Payments on redemption		
Series K	(15,262,616)	(3,837,791)
Series M	(142,055,527)	(165,851,660)
	<u>147,911,322</u>	<u>154,423,318</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series K	18,760,959	46,725,794
Series M	65,993,960	230,626,940
	<u>84,754,919</u>	<u>277,352,734</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series K	72,042,624	53,281,665
Series M	977,087,005	911,093,045
	<u>1,049,129,629</u>	<u>964,374,710</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(44,635,275)	138,866,304
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(19,077,282)	26,066,936
Change in unrealized (gain) loss on non-derivative financial assets	81,472,692	(149,872,386)
Change in unrealized (gain) loss on derivatives	(100)	(30,448)
Unrealized foreign currency translation (gain) loss	82,052	(35,090)
Other non-cash transactions	-	(52,307)
Purchases of non-derivative financial assets and liabilities	(461,979,479)	(334,935,504)
Proceeds from sale of non-derivative financial assets and liabilities	307,522,361	220,432,426
Accrued investment income and other	(260,583)	37,820
Accrued expenses and other payables	-	(5,713)
Net cash provided by (used in) operating activities	<u>(136,875,614)</u>	<u>(99,527,962)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	288,909,285	309,670,402
Amounts paid on redemption of redeemable units	(157,474,958)	(168,875,680)
Distributions to unitholders of redeemable units	(1,999,354)	(1,905,693)
Net cash provided by (used in) financing activities	129,434,973	138,889,029
Unrealized foreign currency translation gain (loss)	(82,052)	35,090
Net increase (decrease) in cash	(7,440,641)	39,361,067
Cash (bank overdraft), beginning of period	90,145,183	50,749,026
CASH (BANK OVERDRAFT), END OF PERIOD	<u>82,622,490</u>	<u>90,145,183</u>
Interest paid ⁽¹⁾	17,622	1,002
Interest received, net of withholding taxes ⁽¹⁾	1,385,064	467,291
Dividends received, net of withholding taxes ⁽¹⁾	20,240,997	17,863,395

⁽¹⁾ Classified as operating items.

Scotia Private International Core Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 92.3%				EQUITIES (cont'd)			
Brazil – 1.1%				Sweden – 2.4%			
Odontoprev S.A.	2,346,200	9,914,475	11,348,460	Evolution Gaming Group AB	183,700	15,260,816	14,444,288
Denmark – 1.8%				Hexagon AB	165,000	10,296,049	10,395,255
Topdanmark A/S	293,500	9,893,877	18,659,502			25,556,865	24,839,543
Finland – 3.1%				Switzerland – 4.7%			
Nokian Renkaat Oyj	382,500	16,188,108	16,082,052	Lonza Group AG	13,537	5,319,748	4,801,143
Sampo Oyj	270,200	18,633,292	16,206,721	Nestlé S.A.	295,400	29,641,148	32,763,702
		34,821,400	32,288,773	SGS SA	3,800	9,459,057	11,679,733
France – 5.4%						44,419,953	49,244,578
Dassault Systemes SA	5,400	458,540	869,887	United Kingdom – 12.2%			
LVMH Moët Hennessy Louis Vuitton SA	74,530	16,530,942	29,880,730	Admiral Group PLC	515,000	16,023,314	18,272,477
Schneider Electric SA	280,600	25,832,983	26,055,607	B&M European Value Retail SA	726,500	4,117,503	3,558,059
		42,822,465	56,806,224	Beazley PLC	1,796,456	13,049,684	15,666,336
Germany – 3.6%				Diageo PLC	651,300	23,743,751	31,596,817
Adidas-Salomon AG	81,000	24,226,423	23,094,663	Intertek Group PLC	165,100	8,406,611	13,719,027
Fresenius SE & Co. KGaA	223,800	21,255,246	14,759,994	RELX PLC	985,600	24,841,865	27,629,955
		45,481,669	37,854,657	Rio Tinto PLC	273,624	14,032,838	17,807,389
Hong Kong – 4.8%						104,215,566	128,250,060
Techtronic Industries Co., Ltd.	5,575,000	34,566,119	40,085,809	United States – 7.8%			
TravelSky Technology Ltd.	3,008,900	9,726,271	10,447,113	Baidu, Inc.	69,700	19,510,220	15,079,418
		44,292,390	50,532,922	Check Point Software Technologies Ltd.	227,600	25,521,082	31,869,837
Japan – 13.3%				NetEase, Inc.	59,300	16,175,982	19,039,451
Aeon Delight Co., Ltd.	379,400	13,877,371	17,207,895	Nielsen Holdings PLC	486,800	23,904,488	15,492,230
Nexon Co., Ltd.	2,038,100	35,916,056	35,523,729			85,111,772	81,480,936
Santen Pharmaceutical Co., Ltd.	1,688,300	35,923,831	32,965,831	Transaction Costs		(1,315,293)	
Sony Corporation	528,800	26,155,311	34,745,232	TOTAL INVESTMENT PORTFOLIO		894,918,344	965,693,228
Tsuruha Holdings Inc.	161,000	26,348,397	18,843,078	OTHER ASSETS, LESS LIABILITIES – 7.7%			83,436,401
		138,220,966	139,285,765	NET ASSETS – 100.0%			1,049,129,629
Mexico – 1.4%							
Grupo Mexico S.A.B. de C.V.	5,066,011	20,981,243	14,235,262				
Netherlands – 8.7%							
Koninklijke Philips NV	696,900	29,427,222	33,510,795				
Unilever NV	379,800	22,491,759	28,156,273				
Wolters Kluwer NV	361,271	20,135,702	29,108,372				
		72,054,683	90,775,440				
Norway – 5.9%							
Atea ASA	1,123,110	11,887,744	19,713,895				
Equinor ASA	512,400	13,127,649	14,911,090				
Gjensidige Forsikring ASA	838,900	17,814,841	17,828,880				
TGS Nopec Geophysical Co. ASA	281,500	7,675,616	9,314,176				
		50,505,850	61,768,041				
Singapore – 6.7%							
DBS Group Holdings Limited	740,300	14,195,937	17,449,426				
Mapletree Logistics Trust	13,781,490	15,224,489	17,359,946				
Parkway Life Real Estate Investment Trust	6,868,400	16,958,975	18,083,565				
United Overseas Bank Ltd.	706,800	14,871,144	17,283,004				
		61,250,545	70,175,941				
South Africa – 2.3%							
Naspers Limited N Shares	90,100	32,066,148	24,441,132				
South Korea – 3.5%							
Samsung Electronics Co., Ltd.	766,100	43,473,207	36,261,026				
Spain – 3.6%							
Amadeus IT Group S.A.	233,787	13,306,230	22,210,177				
Repsol S.A.	694,600	17,844,333	15,234,789				
		31,150,563	37,444,966				

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 investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies located outside of North America.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	255,755,421	–	255,755,421	24.4
Japanese Yen	140,190,817	–	140,190,817	13.4
British Pound	129,689,821	–	129,689,821	12.4
US Dollar	81,720,756	–	81,720,756	7.8
Singapore Dollar	70,694,482	–	70,694,482	6.7
Norwegian Krone	61,855,830	–	61,855,830	5.9
Hong Kong Dollar	50,909,833	–	50,909,833	4.9
Swiss Franc	49,244,686	–	49,244,686	4.7
South Korean Won	36,261,026	–	36,261,026	3.5
Swedish Krona	24,839,543	–	24,839,543	2.4
South African Rand	24,441,132	–	24,441,132	2.3
Danish Krone	18,659,502	–	18,659,502	1.8
Mexican Peso	14,235,262	–	14,235,262	1.4
Brazilian Real	11,434,569	–	11,434,569	1.1
Australian Dollar	307,604	–	307,604	0.0
	970,240,284	–	970,240,284	92.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	253,759,490	–	253,759,490	26.3
British Pound	176,711,752	–	176,711,752	18.3
Japanese Yen	119,188,145	–	119,188,145	12.4
Norwegian Krone	78,989,521	–	78,989,521	8.2
Singapore Dollar	61,252,488	–	61,252,488	6.4
US Dollar	51,506,722	–	51,506,722	5.3
Hong Kong Dollar	45,396,109	–	45,396,109	4.7
Swiss Franc	37,239,238	–	37,239,238	3.9
Australian Dollar	29,391,254	–	29,391,254	3.0
Danish Krone	15,901,870	–	15,901,870	1.6
South Korean Won	4,792,971	–	4,792,971	0.5
Swedish Krona	4,462,135	–	4,462,135	0.5
	878,591,695	–	878,591,695	91.1

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$97,024,028 or approximately 9.3% of net assets (December 31, 2017 – \$87,859,170 or approximately 9.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 92.3% (December 31, 2017 – 90.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$96,569,323 (December 31, 2017 – \$87,499,220). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Australia	–	3.0
Brazil	1.1	–
Denmark	1.8	1.6
Finland	3.1	5.4
France	5.4	6.6
Germany	3.6	3.1
Hong Kong	4.8	4.7
Japan	13.3	12.3
Mexico	1.4	–
Netherlands	8.7	7.8
Norway	5.9	8.2
Singapore	6.7	6.3
South Africa	2.3	–
South Korea	3.5	0.5
Spain	3.6	3.4
Sweden	2.4	0.5
Switzerland	4.7	3.9
United Kingdom	12.2	18.1
United States	7.8	5.3

Scotia Private International Core Equity Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	95,716,198	869,977,030	–	965,693,228
	95,716,198	869,977,030	–	965,693,228

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	51,285,785	823,706,419	–	874,992,204
	51,285,785	823,706,419	–	874,992,204
Unrealized loss on currency spot contracts	–	(100)	–	(100)
	51,285,785	823,706,319	–	874,992,104

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia International Equity Fund

(formerly, Scotia International Value Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	7,765,988	9,071,625
Cash	948,361	882,876
Subscriptions receivable	290	4,041
Accrued investment income and other	2,252	3,639
	<u>8,716,891</u>	<u>9,962,181</u>
LIABILITIES		
Current liabilities		
Redemptions payable	6,363	–
	<u>6,363</u>	<u>–</u>
Net assets attributable to holders of redeemable units	<u>8,710,528</u>	<u>9,962,181</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	8,515,428	9,802,184
Series F	26,580	8,500
Series I	<u>168,520</u>	<u>151,497</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	8.86	9.48
Series F	8.95	9.49
Series I	<u>9.36</u>	<u>9.79</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	208,528	199,437
Interest for distribution purposes	3,086	2,364
Net realized gain (loss) on non-derivative financial assets	25,450	2,448,171
Change in unrealized gain (loss) on non-derivative financial assets	(619,747)	(545,843)
Net realized gain (loss) on derivatives	–	(133,840)
Change in unrealized gain (loss) on derivatives	–	7,622
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(382,683)</u>	<u>1,977,911</u>
Securities lending (note 11)	1,132	278
Net realized and unrealized foreign currency translation gain (loss)	26,660	(94,624)
Other income	259	411
Total income (loss), net	<u>(354,632)</u>	<u>1,883,976</u>
EXPENSES		
Management fees (note 5)	169,678	167,246
Fixed administration fees and operating expenses (note 6)	34,083	33,443
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	108	1,394
Foreign withholding taxes/tax reclaims	21,098	(9,335)
Harmonized Sales Tax/Goods and Services Tax	21,440	20,879
Transaction costs	7,051	33,069
Total expenses	<u>254,707</u>	<u>247,831</u>
Expenses absorbed by the Manager	–	(20)
Net expenses	<u>254,707</u>	<u>247,811</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(609,339)</u>	<u>1,636,165</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(600,731)	1,603,189
Advisor Series	–	145
Series F	(2,051)	5,596
Series I	<u>(6,557)</u>	<u>27,235</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.59)	1.50
Advisor Series	–	0.32
Series F	(0.77)	1.66
Series I	<u>(0.44)</u>	<u>1.74</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,013,691	1,067,127
Advisor Series	–	458
Series F	2,661	3,365
Series I	<u>14,956</u>	<u>15,678</u>

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

Scotia International Equity Fund (Continued)

(formerly, Scotia International Value Fund)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	9,802,184	8,846,400
Advisor Series	—	3,555
Series F	8,500	29,816
Series I	151,497	121,882
	<u>9,962,181</u>	<u>9,001,653</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(600,731)	1,603,189
Advisor Series	—	145
Series F	(2,051)	5,596
Series I	(6,557)	27,235
	<u>(609,339)</u>	<u>1,636,165</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,177,109	975,522
Series F	25,364	2,567
Series I	51,880	26,640
Payments on redemption		
Series A	(1,863,134)	(1,622,927)
Advisor Series	—	(3,700)
Series F	(5,233)	(29,479)
Series I	(28,300)	(24,260)
	<u>(642,314)</u>	<u>(675,637)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(1,286,756)	955,784
Advisor Series	—	(3,555)
Series F	18,080	(21,316)
Series I	17,023	29,615
	<u>(1,251,653)</u>	<u>960,528</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	8,515,428	9,802,184
Advisor Series	—	—
Series F	26,580	8,500
Series I	168,520	151,497
	<u>8,710,528</u>	<u>9,962,181</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(609,339)	1,636,165
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(25,450)	(2,448,171)
Change in unrealized (gain) loss on non-derivative financial assets	619,747	545,843
Change in unrealized (gain) loss on derivatives	—	(7,622)
Unrealized foreign currency translation (gain) loss	2,215	(4,349)
Purchases of non-derivative financial assets and liabilities	(2,088,904)	(10,481,795)
Proceeds from sale of non-derivative financial assets and liabilities	2,800,243	12,252,667
Accrued investment income and other	1,387	896
Accrued expenses and other payables	—	(648)
Net cash provided by (used in) operating activities	<u>699,899</u>	<u>1,492,986</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,258,104	1,010,031
Amounts paid on redemption of redeemable units	(1,890,303)	(1,685,242)
Distributions to unitholders of redeemable units	—	(37)
Net cash provided by (used in) financing activities	<u>(632,199)</u>	<u>(675,248)</u>
Unrealized foreign currency translation gain (loss)	(2,215)	4,349
Net increase (decrease) in cash	67,700	817,738
Cash (bank overdraft), beginning of period	882,876	60,789
CASH (BANK OVERDRAFT), END OF PERIOD	<u>948,361</u>	<u>882,876</u>
Interest paid ⁽¹⁾	108	1,394
Interest received, net of withholding taxes ⁽¹⁾	3,086	2,465
Dividends received, net of withholding taxes ⁽¹⁾	188,817	209,566

⁽¹⁾ Classified as operating items.

Scotia International Equity Fund (Continued)

(formerly, Scotia International Value Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 89.3%				EQUITIES (cont'd)			
Brazil – 1.8%				Switzerland – 3.9%			
Odontoprev S.A.	31,900	152,378	154,299	Lonza Group AG	45	17,865	15,960
Denmark – 2.6%				Nestlé S.A.	2,900	325,441	321,648
Topdanmark A/S	3,600	150,894	228,873			343,306	337,608
Finland – 3.7%				United Kingdom – 11.4%			
Nokian Renkaat Oyj	4,600	253,486	193,405	Admiral Group PLC	4,300	152,964	152,566
Sampo Oyj	2,200	154,501	131,957	B&M European Value Retail SA	8,500	48,182	41,629
		407,987	325,362	Beazley PLC	18,500	151,742	161,333
France – 6.6%				Diageo PLC	7,100	294,596	344,446
LVMH Moët Hennessy Louis Vuitton SA	920	184,962	368,848	RELX PLC	10,300	298,309	288,746
Schneider Electric SA	2,200	219,873	204,285			945,793	988,720
		404,835	573,133	United States – 8.3%			
Germany – 3.7%				Baidu, Inc.	600	167,097	129,808
Adidas-Salomon AG	700	209,228	199,584	Check Point Software Technologies Ltd.	2,200	322,648	308,056
Fresenius SE & Co. KGaA	1,800	204,485	118,713	NetEase, Inc.	400	113,257	128,428
		413,713	318,297	Nielsen Holdings PLC	4,900	246,298	155,941
Hong Kong – 4.5%						849,300	722,233
Technic Industries Co., Ltd.	42,500	250,070	305,587	Transaction Costs		(15,265)	
Travelsky Technology Ltd.	24,300	78,386	84,371	TOTAL INVESTMENT PORTFOLIO		10,332,147	7,765,988
		328,456	389,958	OTHER ASSETS, LESS LIABILITIES – 10.7%			944,540
Japan – 12.6%				NET ASSETS – 100.0%			8,710,528
Aeon Delight Co., Ltd.	3,100	138,407	140,602				
Nexon Co., Ltd.	16,900	297,164	294,563				
Santen Pharmaceutical Co., Ltd.	12,500	262,936	244,076				
Sony Corporation	3,900	192,911	256,253				
Tsuruha Holdings Inc.	1,400	225,035	163,853				
		1,116,453	1,099,347				
Mexico – 1.4%							
Grupo Mexico S.A.B. de C.V.	42,395	176,797	119,128				
Netherlands – 10.3%							
Koninklijke Philips NV	6,900	331,719	331,790				
Unilever NV	4,400	330,054	326,192				
Wolters Kluwer NV	3,000	173,442	241,716				
		835,215	899,698				
Norway – 3.4%							
Atea ASA	8,600	138,168	150,955				
Gjensidige Forsikring ASA	6,900	150,660	146,644				
		288,828	297,599				
Portugal – 0.0%							
Banco Espirito Santo	1,538,200	2,631,820	2,525				
Singapore – 5.8%							
DBS Group Holdings Limited	7,700	150,316	181,495				
Parkway Life Real Estate Investment Trust	60,100	148,764	158,235				
United Overseas Bank Ltd.	6,800	149,124	166,277				
		448,204	506,007				
South Africa – 1.6%							
Naspers Limited N Shares	500	175,343	135,633				
South Korea – 3.3%							
Samsung Electronics Co., Ltd.	6,000	321,059	283,992				
Spain – 2.3%							
Amadeus IT Group S.A.	2,100	166,605	199,504				
Sweden – 2.1%							
Evolution Gaming Group AB	1,700	141,834	133,671				
Hexagon AB	800	48,592	50,401				
		190,426	184,072				

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

Scotia International Equity Fund (Continued)

(formerly, Scotia International Value Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve long-term capital growth. It invests primarily in equity securities of companies located outside of the U.S. and Canada.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	2,385,309	–	2,385,309	27.4
Japanese Yen	1,123,960	–	1,123,960	12.9
British Pound	1,027,070	–	1,027,070	11.8
US Dollar	746,463	–	746,463	8.6
Hong Kong Dollar	621,925	–	621,925	7.1
Singapore Dollar	538,410	–	538,410	6.2
Swiss Franc	343,764	–	343,764	3.9
Norwegian Krone	316,814	–	316,814	3.6
South Korean Won	289,434	–	289,434	3.3
Danish Krone	243,697	–	243,697	2.8
Swedish Krona	184,072	–	184,072	2.1
Brazilian Real	160,128	–	160,128	1.8
South African Rand	135,633	–	135,633	1.6
Mexican Peso	122,810	–	122,810	1.4
Australian Dollar	8,915	–	8,915	0.1
Taiwan Dollar	6,148	–	6,148	0.1
	8,254,552	–	8,254,552	94.7

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	2,797,666	–	2,797,666	28.1
British Pound	1,407,882	–	1,407,882	14.1
Japanese Yen	939,067	–	939,067	9.4
Singapore Dollar	766,583	–	766,583	7.7
Hong Kong Dollar	716,805	–	716,805	7.2
US Dollar	627,215	–	627,215	6.3
Norwegian Krone	614,041	–	614,041	6.2
Brazilian Real	334,295	–	334,295	3.4
Swiss Franc	313,566	–	313,566	3.1
Australian Dollar	308,109	–	308,109	3.1
South Korean Won	299,561	–	299,561	3.0
Danish Krone	199,272	–	199,272	2.0
Swedish Krona	50,348	–	50,348	0.5
Taiwan Dollar	5,838	–	5,838	0.1
	9,380,248	–	9,380,248	94.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$825,455 or approximately 9.5% of net assets (December 31, 2017 – \$938,025 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 89.3% (December 31, 2017 – 91.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$776,599 (December 31, 2017 – \$907,163). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

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

Scotia International Equity Fund (Continued)

(formerly, Scotia International Value Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Australia	–	3.0
Brazil	1.8	3.3
Denmark	2.6	2.0
Finland	3.7	4.1
France	6.6	7.0
Germany	3.7	3.7
Hong Kong	4.5	5.1
Japan	12.6	9.2
Mexico	1.4	–
Netherlands	10.3	9.4
Norway	3.4	6.1
Singapore	5.8	7.6
South Africa	1.6	–
South Korea	3.3	3.0
Spain	2.3	3.7
Sweden	2.1	0.5
Switzerland	3.9	3.1
United Kingdom	11.4	14.2
United States	8.3	6.1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	841,361	6,924,627	–	7,765,988
	841,361	6,924,627	–	7,765,988

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	613,230	8,458,395	–	9,071,625
	613,230	8,458,395	–	9,071,625

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia European Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	16,480,601	19,046,049
Cash	38,115	77,881
Subscriptions receivable	5,414	1,189
Accrued investment income and other	1,845	—
	<u>16,525,975</u>	<u>19,125,119</u>
LIABILITIES		
Current liabilities		
Redemptions payable	16,799	7,684
Distributions payable	—	134
	<u>16,799</u>	<u>7,818</u>
Net assets attributable to holders of redeemable units	<u>16,509,176</u>	<u>19,117,301</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	16,496,230	19,104,233
Series F	<u>12,946</u>	<u>13,068</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.43	15.37
Series F	<u>13.81</u>	<u>15.65</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	445,968	588,544
Interest for distribution purposes	4,484	1,247
Net realized gain (loss) on non-derivative financial assets	4,178,333	(90,536)
Change in unrealized gain (loss) on non-derivative financial assets	(6,497,293)	2,351,196
Change in unrealized gain (loss) on derivatives	—	10
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,868,508)	2,850,461
Securities lending (note 11)	2,081	603
Net realized and unrealized foreign currency translation gain (loss)	7,710	(1,619)
Other income	763	35
Total income (loss), net	<u>(1,857,954)</u>	<u>2,849,480</u>
EXPENSES		
Management fees (note 5)	345,820	342,858
Fixed administration fees (note 6)	69,188	68,618
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	383	63
Foreign withholding taxes/tax reclaims	69,873	77,157
Harmonized Sales Tax/Goods and Services Tax	45,104	44,601
Transaction costs	40,934	10,817
Total expenses	<u>572,551</u>	<u>545,249</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,430,505)</u>	<u>2,304,231</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(2,428,711)	2,300,351
Series F	<u>(1,794)</u>	<u>3,880</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.92)	1.76
Series F	<u>(2.00)</u>	<u>2.14</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,266,530	1,305,165
Series F	898	1,815

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

Scotia European Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	19,104,233	18,821,783
Series F	13,068	21,561
	<u>19,117,301</u>	<u>18,843,344</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(2,428,711)	2,300,351
Series F	(1,794)	3,880
	<u>(2,430,505)</u>	<u>2,304,231</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(81,657)
	<u>–</u>	<u>(81,657)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,868,242	2,571,066
Series F	5,652	10,898
Reinvested distributions		
Series A	–	81,657
Payments on redemption		
Series A	(3,047,534)	(4,588,967)
Series F	(3,980)	(23,271)
	<u>(177,620)</u>	<u>(1,948,617)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,608,003)	282,450
Series F	(122)	(8,493)
	<u>(2,608,125)</u>	<u>273,957</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	16,496,230	19,104,233
Series F	12,946	13,068
	<u>16,509,176</u>	<u>19,117,301</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,430,505)	2,304,231
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,178,333)	90,536
Change in unrealized (gain) loss on non-derivative financial assets	6,497,293	(2,351,196)
Change in unrealized (gain) loss on derivatives	–	(10)
Unrealized foreign currency translation (gain) loss	1,207	(1)
Other non-cash transactions	(13,281)	–
Purchases of non-derivative financial assets and liabilities	(18,299,278)	(4,975,822)
Proceeds from sale of non-derivative financial assets and liabilities	18,559,047	6,866,761
Accrued investment income and other	(1,845)	25,752
Accrued expenses and other payables	–	(1,368)
Net cash provided by (used in) operating activities	<u>134,305</u>	<u>1,958,883</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,864,542	2,575,339
Amounts paid on redemption of redeemable units	(3,037,272)	(4,599,443)
Distributions to unitholders of redeemable units	(134)	–
Net cash provided by (used in) financing activities	<u>(172,864)</u>	<u>(2,024,104)</u>
Unrealized foreign currency translation gain (loss)	(1,207)	1
Net increase (decrease) in cash	(38,559)	(65,221)
Cash (bank overdraft), beginning of period	77,881	143,101
CASH (BANK OVERDRAFT), END OF PERIOD	<u>38,115</u>	<u>77,881</u>
Interest paid ⁽¹⁾	383	63
Interest received, net of withholding taxes ⁽¹⁾	4,484	1,321
Dividends received, net of withholding taxes ⁽¹⁾	360,969	537,065

⁽¹⁾ Classified as operating items.

Scotia European Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.9%				EQUITIES (cont'd)			
France – 22.5%				United States (cont'd)			
Accor SA	8,000	555,592	462,889	NXP Semiconductors NV	1,200	147,575	119,954
AXA SA	12,600	410,095	370,399	Ryanair Holding PLC – ADR	3,000	404,588	291,946
BNP Paribas	6,700	540,345	411,715	Worldpay Inc.	4,646	449,976	484,386
Dassault Systemes SA	2,800	539,416	451,052			<u>1,859,840</u>	<u>1,561,370</u>
Legrand SA	4,200	265,357	322,531	Transaction Costs		(20,559)	
LVMH Moet Hennessy Louis Vuitton SA	1,150	517,748	461,061	TOTAL INVESTMENT PORTFOLIO		<u>17,365,174</u>	16,480,601
Pernod Ricard SA	2,630	559,174	589,200	OTHER ASSETS, LESS LIABILITIES – 0.1%			28,575
Schneider Electric SA	3,000	308,709	278,570	NET ASSETS – 100.0%			<u>16,509,176</u>
Societe Generale SA	6,500	368,963	281,568				
UBISOFT Entertainment	800	76,818	87,567				
		<u>4,142,217</u>	<u>3,716,552</u>				
Germany – 30.8%							
Acidias-Salomon AG	1,600	128,276	456,191				
Bayer AG	3,900	442,636	368,975				
Bayerische Motoren Werke AG	3,100	381,638	342,545				
Deutsche Boerse AG	2,700	227,816	443,012				
Fresenius Medical Care AG & Co. KGaA	3,600	474,579	319,053				
HeidelbergCement AG	3,400	293,670	283,709				
HUGO BOSS AG	5,250	595,086	441,777				
Infineon Technologies AG	14,200	491,427	385,526				
Merck KGaA	2,451	341,686	345,044				
QIAGEN NV	11,481	489,227	534,137				
SAP SE	2,700	427,750	366,949				
Stabilus SA	4,900	538,113	419,666				
Wirecard AG	1,800	104,058	373,869				
		<u>4,935,962</u>	<u>5,080,453</u>				
Greece – 1.2%							
Jumbo S.A.	10,000	199,688	198,834				
Italy – 1.5%							
Intesa Sanpaolo SpA	80,000	307,728	241,910				
Netherlands – 6.0%							
ASML Holding NV	2,034	194,663	433,003				
Heineken NV	4,600	639,397	553,170				
		<u>834,060</u>	<u>986,173</u>				
Spain – 5.9%							
Aena S.A.	1,200	123,489	253,855				
Amadeus IT Group S.A.	3,725	183,025	353,882				
Industria de Diseno Textil S.A.	10,661	372,359	370,818				
		<u>678,873</u>	<u>978,555</u>				
Sweden – 4.5%							
Atlas Copco AB, Series A	11,500	407,746	375,006				
Hexagon AB	5,900	433,339	371,709				
		<u>841,085</u>	<u>746,715</u>				
Switzerland – 9.7%							
Compagnie Financiere Richemont SA, Class A	4,100	442,090	359,470				
Lonza Group AG	1,063	353,333	377,013				
Swatch Group AG, Class B	1,310	754,901	522,819				
VAT Group AG	2,800	466,948	336,367				
		<u>2,017,272</u>	<u>1,595,669</u>				
United Kingdom – 8.3%							
Carnival PLC	6,400	490,427	419,007				
DS Smith PLC	57,511	445,776	299,490				
Next PLC	1,500	130,488	104,191				
Renishaw PLC	4,800	320,985	354,104				
Spectris PLC	5,000	181,332	197,578				
		<u>1,569,008</u>	<u>1,374,370</u>				
United States – 9.5%							
Aptiv PLC	4,000	441,087	335,952				
Barclays PLC	32,000	416,614	329,132				

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 investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Europe.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	11,237,304	–	11,237,304	68.1
Swiss Franc	1,603,914	–	1,603,914	9.7
US Dollar	1,561,780	–	1,561,780	9.5
British Pound	1,388,112	–	1,388,112	8.4
Swedish Krona	746,715	–	746,715	4.5
Norwegian Krone	2,262	–	2,262	0.0
	16,540,087	–	16,540,087	100.2

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	11,332,528	–	11,332,528	59.3
British Pound	3,168,204	–	3,168,204	16.6
Swiss Franc	1,467,140	–	1,467,140	7.7
Danish Krone	1,120,858	–	1,120,858	5.9
Norwegian Krone	859,138	–	859,138	4.5
Swedish Krona	635,849	–	635,849	3.3
US Dollar	462,666	–	462,666	2.4
	19,046,383	–	19,046,383	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$1,654,009 or approximately 10.0% of net assets (December 31, 2017 – \$1,904,639 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,648,060 (December 31, 2017 – \$1,904,605). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Denmark	–	5.9
Finland	–	2.4
France	22.5	9.6
Germany	30.8	25.9
Greece	1.2	–
Ireland	–	1.1
Italy	1.5	–
Netherlands	6.0	7.5
Norway	–	4.5
Spain	5.9	12.7
Sweden	4.5	3.3
Switzerland	9.7	7.7
United Kingdom	8.3	19.0
United States	9.5	–

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	1,561,370	14,919,231	–	16,480,601
	1,561,370	14,919,231	–	16,480,601

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	–	19,046,049	–	19,046,049
	–	19,046,049	–	19,046,049

Scotia European Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Pacific Rim Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	14,449,161	17,690,081
Cash	98,835	55,840
Subscriptions receivable	5,053	2,759
Accrued investment income and other	16,055	9,219
	<u>14,569,104</u>	<u>17,757,899</u>
LIABILITIES		
Current liabilities		
Redemptions payable	7,598	1,049
	<u>7,598</u>	<u>1,049</u>
Net assets attributable to holders of redeemable units	<u>14,561,506</u>	<u>17,756,850</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	14,535,013	17,731,840
Series F	26,493	25,010
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.97	15.60
Series F	14.29	15.82

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	290,539	262,563
Interest for distribution purposes	87	962
Net realized gain (loss) on non-derivative financial assets	812,173	2,383,789
Change in unrealized gain (loss) on non-derivative financial assets	(2,420,157)	1,694,514
Net realized gain (loss) on derivatives	-	(12,181)
Change in unrealized gain (loss) on derivatives	-	3,500
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,317,358)	4,333,147
Securities lending (note 11)	1,703	76
Net realized and unrealized foreign currency translation gain (loss)	6,592	(4,509)
Other income	1,988	132
Total income (loss), net	<u>(1,307,075)</u>	<u>4,328,846</u>
EXPENSES		
Management fees (note 5)	298,075	275,927
Fixed administration fees (note 6)	59,660	55,276
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	672	1,783
Foreign withholding taxes/tax reclaims	31,222	38,108
Harmonized Sales Tax/Goods and Services Tax	36,497	33,930
Transaction costs	17,338	53,344
Total expenses	<u>444,713</u>	<u>459,503</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,751,788)</u>	<u>3,869,343</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,749,007)	3,864,846
Series F	(2,781)	4,497
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.58)	3.37
Series F	(1.63)	1.53
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,105,164	1,147,436
Series F	1,703	2,946

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	17,731,840	14,528,179
Series F	25,010	18,108
	<u>17,756,850</u>	<u>14,546,287</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,749,007)	3,864,846
Series F	(2,781)	4,497
	<u>(1,751,788)</u>	<u>3,869,343</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	2,736,224	1,914,380
Series F	4,264	260,427
Payments on redemption		
Series A	(4,184,044)	(2,575,565)
Series F	-	(258,022)
	<u>(1,443,556)</u>	<u>(658,780)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(3,196,827)	3,203,661
Series F	1,483	6,902
	<u>(3,195,344)</u>	<u>3,210,563</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	14,535,013	17,731,840
Series F	26,493	25,010
	<u>14,561,506</u>	<u>17,756,850</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,751,788)	3,869,343
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(812,173)	(2,383,789)
Change in unrealized (gain) loss on non-derivative financial assets	2,420,157	(1,694,514)
Change in unrealized (gain) loss on derivatives	-	(3,500)
Unrealized foreign currency translation (gain) loss	5,321	(1,654)
Other non-cash transactions	-	(414)
Purchases of non-derivative financial assets and liabilities	(4,804,961)	(14,443,624)
Proceeds from sale of non-derivative financial assets and liabilities	6,437,898	15,041,575
Accrued investment income and other	(6,836)	2,246
Accrued expenses and other payables	-	(1,050)
Net cash provided by (used in) operating activities	1,487,618	384,619
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	2,733,929	2,181,105
Amounts paid on redemption of redeemable units	(4,173,231)	(2,835,250)
Net cash provided by (used in) financing activities	(1,439,302)	(654,145)
Unrealized foreign currency translation gain (loss)	(5,321)	1,654
Net increase (decrease) in cash	48,316	(269,526)
Cash (bank overdraft), beginning of period	55,840	323,712
CASH (BANK OVERDRAFT), END OF PERIOD	<u>98,835</u>	<u>55,840</u>
Interest paid ⁽¹⁾	672	1,783
Interest received, net of withholding taxes ⁽¹⁾	87	989
Dividends received, net of withholding taxes ⁽¹⁾	253,422	226,260

⁽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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.4%				EQUITIES (cont'd)			
Hong Kong – 42.4%				United States – 17.3%			
AIA Group Ltd.	31,400	232,392	352,362	Alibaba Group Holding Ltd.	2,600	461,327	486,143
ANTA Sports Products Ltd.	59,000	318,648	382,716	Baidu, Inc.	2,150	558,045	465,147
Bosideng International Holdings Ltd.	710,000	166,480	183,460	BHP Billiton Ltd. – ADR	2,000	96,216	131,746
BYD Co., Ltd., Class H	58,500	492,892	502,986	Huazhu Group Ltd. – ADR	9,800	371,683	382,733
China Tower Corporation Ltd., Class H	1,795,000	347,112	461,523	NetEase, Inc.	1,800	631,306	577,926
Fosun International Ltd.	69,000	147,947	137,699	Sony Corporation	7,200	364,490	474,186
Fuyao Glass Industry Group Co., Ltd.	115,000	527,930	497,860			<u>2,483,067</u>	<u>2,517,881</u>
Hengan International Group Co., Ltd.	43,500	459,034	430,381	Transaction Costs		(22,885)	
Industrial and Commercial Bank of China Ltd., Class H	595,000	544,563	576,029	TOTAL INVESTMENT PORTFOLIO		<u>12,989,112</u>	<u>14,449,161</u>
Li Ning Co., Ltd.	357,000	360,484	518,074	OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>112,345</u>
Ping An Insurance Group Company of China Ltd.	43,500	446,928	521,039	NET ASSETS – 100.0%			<u>14,561,506</u>
Sunny Optical Technology Group Co., Ltd.	11,000	147,545	131,654				
Tencent Holdings Limited	9,900	544,874	535,322				
TravelSky Technology Ltd.	128,000	456,677	444,425				
Tsingtao Brewery Company Ltd.	90,500	463,413	499,111				
		<u>5,656,919</u>	<u>6,174,641</u>				
Indonesia – 4.2%							
PT Bank Central Asia Tbk	113,500	136,107	279,984				
PT Bank Rakyat Indonesia (Persero) Tbk	937,500	229,450	326,552				
		<u>365,557</u>	<u>606,536</u>				
Japan – 11.5%							
Horiba Ltd.	3,400	138,435	187,642				
NIDEC Corporation	1,800	105,756	281,462				
SMC Corporation	900	293,078	366,795				
Square Enix Holdings Co., Ltd.	5,800	258,474	213,193				
TechnoPro Holdings Inc.	4,100	160,041	228,503				
Unicharm Corporation	8,900	243,123	392,313				
		<u>1,198,907</u>	<u>1,669,908</u>				
Philippines – 2.9%							
BDO Unibank, Inc.	125,452	347,689	427,536				
Singapore – 0.6%							
Mapletree Logistics Trust	65,000	72,133	81,878				
South Korea – 8.0%							
Amorepacific Corporation	2,350	685,393	600,179				
Samsung Electronics Co., Ltd.	9,250	508,232	437,821				
SK Hynix Inc.	1,700	139,853	125,703				
		<u>1,333,478</u>	<u>1,163,703</u>				
Switzerland – 2.9%							
Swatch Group AG, Class B	1,050	511,589	419,054				
Taiwan – 5.0%							
Airtac International Group	11,000	120,946	145,346				
Taiwan Semiconductor Manufacturing Company Ltd.	58,000	361,906	577,023				
		<u>482,852</u>	<u>722,369</u>				
Thailand – 4.6%							
Airports of Thailand Public Company Ltd.	106,000	181,469	287,743				
Minor International PCL	263,000	378,337	377,912				
		<u>559,806</u>	<u>665,655</u>				

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 investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Hong Kong Dollar	6,256,141	–	6,256,141	43.0
US Dollar	2,546,836	–	2,546,836	17.5
Japanese Yen	1,693,729	–	1,693,729	11.6
South Korean Won	1,178,092	–	1,178,092	8.1
Taiwan Dollar	846,273	–	846,273	5.8
Thai Baht	678,262	–	678,262	4.7
Indonesian Rupiah	614,286	–	614,286	4.2
Philippines Peso	429,564	–	429,564	2.9
Swiss Franc	419,158	–	419,158	2.9
Singapore Dollar	84,402	–	84,402	0.6
	14,746,743	–	14,746,743	101.3

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Hong Kong Dollar	6,240,958	–	6,240,958	35.1
US Dollar	4,101,782	–	4,101,782	23.1
Japanese Yen	2,644,314	–	2,644,314	14.9
South Korean Won	1,283,449	–	1,283,449	7.2
Taiwan Dollar	1,085,224	–	1,085,224	6.1
Thai Baht	770,728	–	770,728	4.3
Swiss Franc	614,519	–	614,519	3.5
Indonesian Rupiah	519,516	–	519,516	2.9
Philippines Peso	496,837	–	496,837	2.8
Singapore Dollar	81,597	–	81,597	0.5
Australian Dollar	533	–	533	0.0
	17,839,457	–	17,839,457	100.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$1,474,674 or

approximately 10.1% of net assets (December 31, 2017 – \$1,783,946 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.4% (December 31, 2017 – 99.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,444,916 (December 31, 2017 – \$1,769,008). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Hong Kong	42.4	34.9
Indonesia	4.2	2.9
Japan	11.5	14.8
Philippines	2.9	2.8
Singapore	0.6	0.5
South Korea	8.0	7.2
Switzerland	2.9	3.5
Taiwan	5.0	5.8
Thailand	4.6	4.3
United Kingdom	–	2.1
United States	17.3	20.8

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Equities	2,517,881	11,931,280	–	14,449,161
	2,517,881	11,931,280	–	14,449,161

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Equities	3,725,057	13,965,024	–	17,690,081
	3,725,057	13,965,024	–	17,690,081

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Latin American Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	16,128,058	19,756,143
Cash	538,937	66,578
Subscriptions receivable	3,400	6,303
Accrued investment income and other	119,384	60,886
	<u>16,789,779</u>	<u>19,889,910</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	8	–
Redemptions payable	10,636	8,877
Distributions payable	285	292
	<u>10,929</u>	<u>9,169</u>
Net assets attributable to holders of redeemable units	<u>16,778,850</u>	<u>19,880,741</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	16,746,198	19,848,287
Series F	<u>32,652</u>	<u>32,454</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	17.18	17.79
Series F	<u>16.75</u>	<u>17.37</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	571,410	492,903
Interest for distribution purposes	201,585	205,037
Net realized gain (loss) on non-derivative financial assets	600,480	1,787,066
Change in unrealized gain (loss) on non-derivative financial assets	(1,220,858)	39,142
Change in unrealized gain (loss) on derivatives	(8)	–
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	152,609	2,524,148
Securities lending (note 11)	167	1,531
Net realized and unrealized foreign currency translation gain (loss)	(36,968)	(66,201)
Other income	449	1,429
Total income (loss), net	<u>116,257</u>	<u>2,460,907</u>
EXPENSES		
Management fees (note 5)	322,276	385,738
Fixed administration fees (note 6)	60,829	72,510
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,154	282
Foreign withholding taxes/tax reclaims	91,086	55,280
Harmonized Sales Tax/Goods and Services Tax	39,931	48,715
Transaction costs	5,411	15,890
Total expenses	<u>521,936</u>	<u>579,550</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(405,679)</u>	<u>1,881,357</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(405,293)	1,881,077
Series F	<u>(386)</u>	<u>280</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.39)	1.57
Series F	<u>(0.19)</u>	<u>0.45</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,037,432	1,198,608
Series F	<u>2,025</u>	<u>616</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	19,848,287	21,114,025
Series F	<u>32,454</u>	<u>8,041</u>
	<u>19,880,741</u>	<u>21,122,066</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(405,293)	1,881,077
Series F	<u>(386)</u>	<u>280</u>
	<u>(405,679)</u>	<u>1,881,357</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(168,839)	(156,780)
Series F	<u>(660)</u>	<u>(948)</u>
	<u>(169,499)</u>	<u>(157,728)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,320,444	2,256,053
Series F	25,655	24,634
Reinvested distributions		
Series A	166,402	156,780
Series F	660	948
Payments on redemption		
Series A	(4,014,803)	(5,402,868)
Series F	<u>(25,071)</u>	<u>(501)</u>
	<u>(2,526,713)</u>	<u>(2,964,954)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(3,102,089)	(1,265,738)
Series F	<u>198</u>	<u>24,413</u>
	<u>(3,101,891)</u>	<u>(1,241,325)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	16,746,198	19,848,287
Series F	<u>32,652</u>	<u>32,454</u>
	<u>16,778,850</u>	<u>19,880,741</u>

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

Scotia Latin American Fund (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(405,679)	1,881,357
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(600,480)	(1,787,066)
Change in unrealized (gain) loss on non-derivative financial assets	1,220,858	(39,142)
Change in unrealized (gain) loss on derivatives	8	—
Unrealized foreign currency translation (gain) loss	478	(848)
Purchases of non-derivative financial assets and liabilities	(2,191,037)	(8,079,340)
Proceeds from sale of non-derivative financial assets and liabilities	5,198,744	11,088,087
Accrued investment income and other	(58,498)	28,052
Accrued expenses and other payables	—	(1,488)
Net cash provided by (used in) operating activities	3,164,394	3,089,612
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1,343,347	2,262,389
Amounts paid on redemption of redeemable units	(4,032,460)	(5,384,845)
Distributions to unitholders of redeemable units	(2,444)	—
Net cash provided by (used in) financing activities	(2,691,557)	(3,122,456)
Unrealized foreign currency translation gain (loss)	(478)	848
Net increase (decrease) in cash	472,837	(32,844)
Cash (bank overdraft), beginning of period	66,578	98,574
CASH (BANK OVERDRAFT), END OF PERIOD	538,937	66,578
Interest paid ⁽¹⁾	1,154	282
Interest received, net of withholding taxes ⁽¹⁾	201,585	205,058
Dividends received, net of withholding taxes ⁽¹⁾	421,825	465,653

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES — 96.1%			
Brazil — 57.9%			
AES Tiete Energia S.A.	146,617	967,479	517,801
Alupar Investimento S.A.	90,708	448,057	586,622
Ambev S.A.	64,948	409,976	350,793
B3 SA — Brasil Bolsa Balcao	79,536	424,823	748,561
Banco Bradesco S.A.	40,840	309,854	488,606
Banco Bradesco S.A., Preference	78,480	973,077	1,065,264
Banco do Brasil S. A	22,109	271,674	362,495
BB Seguridade Participacoes S.A.	86,790	937,182	844,873
Cielo S.A.	131,661	1,181,203	411,382
Itau Unibanco Holding S.A., Preference	116,812	1,003,184	1,464,700
Itaúsa — Investimentos Itaú S.A., Preference	188,266	623,111	803,688
Petroleo Brasileiro S.A., Preference	155,431	771,128	1,229,438
Sao Martinho S.A.	88,253	613,319	565,156
Telefonica Brasil S.A.	16,884	255,853	275,505
		<u>9,189,920</u>	<u>9,714,884</u>
Chile — 1.5%			
S.A.C.I. Falabella	24,426	234,746	244,465
Colombia — 0.5%			
Cemex Latam Holdings S.A.	51,107	431,520	79,366
Mexico — 22.7%			
America Movil S.A.B. de C.V.	41,879	45,799	40,652
Controladora Vuela Cia de Aviacion S.A.B. de C.V.	244,705	389,959	178,194
Fibra Uno Administracion S.A. de C.V.	277,340	617,083	420,875
Genera S.A.B. de C.V.	67,580	126,434	67,995
Grupo Financiero Banorte S.A.B. de C.V., Series O	86,401	631,622	575,018
Hoteles City Express S.A.B. de C.V.	207,630	325,191	346,683
Industrias Bachoco, S.A., Series B	123,902	651,105	555,470
Infraestructura Energetica Nova S.A.B. de C.V.	89,778	552,496	457,072
Prologis Property Mexico S.A. de C.V.	270,491	490,256	569,487
Promotora y Operadora de Infraestructura S.A.B. de C.V.	35,651	507,385	466,034
Regional S.A.B. de C.V.	9,284	62,771	58,375
Telesites S.A.B. de C.V.	98,851	83,821	80,638
		<u>4,483,922</u>	<u>3,816,493</u>
United States — 13.5%			
BRF S.A. — ADR	46,947	810,271	363,752
Embraer S.A. — ADR	3,850	117,791	116,223
Grupo Aeroportuario del Centro Norte S.A.B. de C.V. — ADR	10,990	573,860	569,978
iShares MSCI Brazil ETF	8,090	417,173	421,561
Vale S.A. — ADR	44,537	601,133	801,336
		<u>2,520,228</u>	<u>2,272,850</u>
Transaction Costs		(14,867)	
TOTAL INVESTMENT PORTFOLIO		<u>16,845,469</u>	16,128,058
Unrealized Gain (Loss) on Derivatives — 0.0%			(8)
OTHER ASSETS, LESS LIABILITIES — 3.9%			<u>650,800</u>
NET ASSETS — 100.0%			<u>16,778,850</u>

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 investment objective is long-term capital growth. It invests primarily in a broad range of high quality equity securities of companies in Latin America.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Brazilian Real	9,857,434	–	9,857,434	58.7
Mexican Peso	3,818,322	–	3,818,322	22.8
US Dollar	2,272,923	–	2,272,923	13.5
Chile Peso	244,465	–	244,465	1.5
Colombia Peso	79,366	–	79,366	0.5
	16,272,510	–	16,272,510	97.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
Brazilian Real	10,837,531	–	10,837,531	54.5
Mexican Peso	6,264,654	–	6,264,654	31.5
US Dollar	2,223,063	–	2,223,063	11.2
Chile Peso	306,157	–	306,157	1.5
Colombia Peso	236,465	–	236,465	1.2
	19,867,870	–	19,867,870	99.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$1,627,251 or approximately 9.7% of net assets (December 31, 2017 – \$1,986,787 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 96.1% (December 31, 2017 – 99.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,612,806 (December 31, 2017 – \$1,975,614). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Brazil	57.9	54.3
Chile	1.5	1.5
Colombia	0.5	1.2
Mexico	22.7	31.5
United States	13.5	10.9

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	5,667,782	10,038,715	–	15,706,497
Underlying funds	421,561	–	–	421,561
	6,089,343	10,038,715	–	16,128,058
Unrealized loss on currency spot contracts	–	(8)	–	(8)
	6,089,343	10,038,707	–	16,128,050

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	8,738,470	11,017,673	–	19,756,143
	8,738,470	11,017,673	–	19,756,143

Transfers between levels

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

Scotia Latin American Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund as at December 31, 2018. The Fund did not hold any interest in Underlying Funds as at December 31, 2017.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI Brazil ETF	421,561	0.0
	421,561	

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

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

Scotia Private Diversified International Equity Pool

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31 2018
ASSETS	
Current assets	
Financial assets at fair value through profit or loss (note 2)	
Non-derivative financial assets	350,768,701
Derivatives	941,234
Cash	4,319,304
Margin deposited on derivatives	162,301
Accrued investment income and other	35,327
	<u>356,226,867</u>
LIABILITIES	
Current liabilities	
Financial liabilities at fair value through profit or loss (note 2)	
Derivatives	368,309
Margin payable on derivatives	76,111
	<u>444,420</u>
Net assets attributable to holders of redeemable units	<u>355,782,447</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I	<u>355,782,447</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I	<u>9.33</u>

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2018
INCOME	
Dividends	119,435
Interest for distribution purposes	1,973
Net realized gain (loss) on non-derivative financial assets	198,770
Change in unrealized gain (loss) on non-derivative financial assets	(17,121,962)
Net realized gain (loss) on derivatives	1,398,525
Change in unrealized gain (loss) on derivatives	(692,269)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(16,095,528)
Net realized and unrealized foreign currency translation gain (loss)	155,956
Total income (loss), net	<u>(15,939,572)</u>
EXPENSES	
Fixed administration fees (note 6)	27,117
Independent Review Committee fees	624
Interest expense and bank overdraft charges	1,412
Foreign withholding taxes/tax reclaims	8,049
Harmonized Sales Tax/Goods and Services Tax	3,030
Transaction costs	207,220
Total expenses	<u>247,452</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(16,187,024)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I	<u>(16,187,024)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT [†]	
Series I	<u>(0.87)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Series I	18,668,670

[†] 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.

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

For the period ended December 31 (note 1),

(in dollars)	2018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Series I	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I	<u>(16,187,024)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net investment income	
Series I	(225,924)
From net realized gains on investments	
Series I	<u>(3,359,883)</u>
	<u>(3,585,807)</u>
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Series I	392,119,471
Reinvested distributions	
Series I	3,585,807
Payments on redemption	
Series I	<u>(20,150,000)</u>
	<u>375,555,278</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I	<u>355,782,447</u>
	<u>355,782,447</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Series I	<u>355,782,447</u>
	<u>355,782,447</u>

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	(16,187,024)
Adjustments for:	
Net realized (gain) loss on non-derivative financial assets	(198,770)
Change in unrealized (gain) loss on non-derivative financial assets	17,121,962
Net realized (gain) loss on derivatives	(735,675)
Change in unrealized gain (loss) on derivatives	692,269
Unrealized foreign currency translation (gain) loss	30,513
Purchases of non-derivative financial assets and liabilities	(370,404,809)
Proceeds from sale of non-derivative financial assets and liabilities	2,183,397
Margin deposited on derivatives	(162,301)
Margin payable on derivatives	76,111
Accrued investment income and other	(35,327)
Net cash provided by (used in) operating activities	<u>(367,619,654)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	392,119,471
Amounts paid on redemption of redeemable units	<u>(20,150,000)</u>
Net cash provided by (used in) financing activities	371,969,471
Unrealized foreign currency translation gain (loss)	(30,513)
Net increase (decrease) in cash	4,349,817
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>4,319,304</u>
Interest paid ⁽¹⁾	1,412
Interest received, net of withholding taxes ⁽¹⁾	1,907
Dividends received, net of withholding taxes ⁽¹⁾	76,120

⁽¹⁾ Classified as operating items.

Scotia Private Diversified International Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)			Issuer	Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)
	Number of Shares	Average Cost (\$)	Carrying Value (\$)				
BONDS AND DEBENTURES – 5.4%				EQUITIES (cont'd)			
Federal Bonds – 5.4%				Japan (cont'd)			
United States Treasury Bills 0.00% Nov 07, 2019	USD 14,300,000	18,660,074	19,067,740	Stanley Electric Co., Ltd.	137,192	5,436,634	5,220,201
EQUITIES – 93.4%				Sumitomo Corporation	260,063	5,350,212	5,005,631
Australia – 4.6%				Sumitomo Heavy Industries Ltd.	120,430	5,237,499	4,844,129
BlueScope Steel Ltd.	486,658	6,031,647	5,126,666	Sumitomo Mitsui Trust Holdings Inc.	99,609	5,356,111	4,946,890
CSL Ltd.	20,433	3,690,114	3,641,968			95,210,763	89,293,397
Santos Ltd.	990,257	5,824,042	5,216,169	Netherlands – 6.4%			
Woodside Petroleum Limited	80,955	2,558,038	2,440,303	ArcelorMittal	176,175	5,702,432	4,959,635
		18,103,841	16,425,106	ASML Holding NV	12,928	2,965,463	2,752,147
				Koninklijke KPN NV	1,349,689	5,057,140	5,382,225
Belgium – 2.9%				NN Group NV	91,367	5,223,428	4,952,112
Solvay SA	36,921	5,535,125	5,017,050	Wolters Kluwer NV	56,882	4,519,053	4,583,104
UCB SA	47,504	5,370,967	5,284,159			23,467,516	22,629,223
		10,906,092	10,301,209	Portugal – 1.5%			
				Galp Energia SGPS SA	242,972	5,443,153	5,249,543
Denmark – 0.8%				Singapore – 2.8%			
Novo Nordisk A/S, Class B	46,445	2,799,609	2,913,254	DBS Group Holdings Limited	160,195	3,768,470	3,775,916
				Genting Singapore PLC	898,600	823,170	877,580
France – 11.6%				United Overseas Bank Ltd.	217,697	5,294,226	5,323,229
Arkema SA	42,078	5,671,083	4,899,271			9,885,866	9,976,725
Cie Generale des Etablissements Michelin SCA, Class B	24,167	3,322,503	3,260,052	Spain – 1.4%			
Danone	46,972	4,605,189	4,516,917	Banco Bilbao Vizcaya Argentaria S.A.	702,702	5,294,052	5,057,494
Dassault Systemes SA	33,271	5,547,914	5,359,629	Sweden – 1.5%			
Faurecia	38,804	2,398,964	1,987,096	Swedish Match AB	102,243	6,016,408	5,501,951
Ipsen SA	13,575	2,597,485	2,388,813	Switzerland – 1.6%			
Kering SA	6,490	3,929,004	4,144,238	Baloise Holding AG	27,164	5,329,280	5,114,995
Klepierre	65,851	2,925,052	2,766,214	Partners Group Holding AG	690	624,192	572,163
SES S.A. – FDR	72,437	2,055,727	1,893,030			5,953,472	5,687,158
Societe Generale SA	108,648	5,425,421	4,706,431	United Kingdom – 20.2%			
STMicroelectronics NV	272,756	5,492,148	5,310,766	BAE Systems PLC	637,316	5,560,663	5,077,042
		43,970,490	41,232,457	BP PLC	602,141	5,418,405	5,185,490
				Centrica PLC	2,273,057	5,615,630	5,334,908
Germany – 4.8%				Coca-Cola HBC AG	134,153	5,455,476	5,697,479
Brenntag AG	86,214	5,480,239	5,076,818	EasyJet PLC	281,339	5,584,559	5,390,752
Deutsche Boerse AG	12,275	2,085,153	2,014,065	Experian PLC	164,169	5,253,829	5,446,077
Deutsche Post AG	125,106	5,369,706	4,675,128	Ferguson PLC	62,348	5,501,592	5,450,242
Wirecard AG	26,377	5,832,087	5,478,634	GlaxoSmithKline PLC	193,013	5,114,419	5,000,077
		18,767,185	17,244,645	Reckitt Benkiser Group PLC	48,063	5,280,262	5,009,712
				Royal Dutch Shell PLC, Class B	131,562	5,515,363	5,343,405
Hong Kong – 0.2%				Segro PLC	518,882	5,493,486	5,312,362
Cheung Kong Property Holdings Ltd	66,478	625,714	659,439	Taylor Wimpey PLC	2,335,745	5,794,750	5,514,444
				Tesco PLC	781,616	2,754,923	2,585,079
Israel – 1.4%				TUI AG	183,067	3,736,641	3,585,984
Bank Leumi le-Israel Ltd.	607,194	5,319,736	5,016,893	Unilever PLC	25,077	1,796,331	1,791,396
						73,876,329	71,724,449
Italy – 5.0%				United States – 1.6%			
EXOR NV	67,952	5,345,006	5,009,991	Coca-Cola European Partners PLC	82,588	5,209,632	5,165,411
Monder SpA	44,931	2,041,576	2,048,512	iShares MSCI EAFE ETF, Put Options \$49.00 Jan 18, 2019	30,000	448,931	347,847
Physonia SpA, Preference	218,103	5,656,991	5,770,021	iShares MSCI EAFE ETF, Put Options \$55.00 Jan 18, 2019	30,000	2,775,208	593,387
UniCredit SpA	309,743	5,337,158	4,794,083	iShares MSCI Emerging Markets ETF, Written Put Options \$52.00 Jan 18, 2019	(60,000)	(1,958,945)	(368,309)
		18,380,731	17,622,607			6,474,826	5,738,336
Japan – 25.1%				TOTAL EQUITIES			
Aisin Seiki Co., Ltd.	100,990	5,293,310	4,754,608			350,495,783	332,273,886
Alfresa Holdings Corporation	111,503	4,089,903	3,935,951	Transaction Costs			
Astellas Pharma Inc.	259,929	5,270,978	4,513,321			(117,760)	
Brother Industries, Ltd.	82,864	1,860,177	1,659,535	TOTAL INVESTMENT PORTFOLIO			
Electric Power Development Co., Ltd.	155,174	5,368,948	5,014,774			369,038,097	351,341,626
Fuji Electric Holdings Co., Ltd.	32,220	1,363,064	1,281,889	OTHER ASSETS, LESS LIABILITIES – 1.2%			
Hikari Tsushin Inc.	5,841	1,277,933	1,253,675				4,440,821
Hitachi High-Technologies Corporation	112,094	5,422,457	4,770,672	NET ASSETS – 100.0%			
Hitachi Ltd.	137,901	5,548,886	5,001,464				355,782,447
Hoya Corporation	65,713	5,252,182	5,480,197	Instruments with a 0.00% stated interest rate are purchased at a discount to face value. The discount represents the implied effective interest.			
Japan Airlines Co., Ltd.	36,917	1,753,525	1,784,058				
JFE Holdings Inc.	182,742	4,491,164	3,967,127				
Mitsubishi Gas Chemical Co., Inc.	243,251	5,325,197	4,958,331				
Mitsui & Co., Ltd.	255,520	5,469,540	5,403,195				
M&A Insurance Group Holdings, Inc.	131,617	5,372,201	5,097,426				
Nippon Telegraph and Telephone Corporation	96,884	5,186,922	5,382,239				
Sony Corporation	76,372	5,483,920	5,018,084				

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

Scotia Private Diversified International Equity Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to provide diversification and long-term capital appreciation by investing in a diversified portfolio of primarily equity securities based outside of Canada and the United States, and using alternative investment strategies including options and short selling strategies. The Fund can invest up to 100% of its assets in foreign securities.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)
Less than 1 year	19,067,740
1-3 years	–
3-5 years	–
5-10 years	–
> 10 years	–
	19,067,740

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$47,669 or approximately 0.0%. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross Currency Exposure (\$)	Currency Contracts (\$)	Net Exposure (\$)	Percentage of net assets (%)
Australian Dollar	16,429,854	–	16,429,854	4.6
British Pound	71,754,402	–	71,754,402	20.2
Danish Krone	2,913,254	–	2,913,254	0.8
European Euro	119,337,178	–	119,337,178	33.5
Hong Kong Dollar	659,439	–	659,439	0.2
Israel Shekel	5,038,422	–	5,038,422	1.4
Japanese Yen	89,456,329	–	89,456,329	25.1
Singapore Dollar	9,976,725	–	9,976,725	2.8
Swedish Krona	5,501,951	–	5,501,951	1.5
Swiss Franc	5,686,878	–	5,686,878	1.6
US Dollar	26,956,731	–	26,956,731	7.6
	353,711,163	–	353,711,163	99.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$35,371,116 or approximately 9.9% 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 93.4% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$33,227,389. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	100.0	5.4
	100.0	5.4

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	
Australia	4.6
Belgium	2.9
Denmark	0.8
France	11.6
Germany	4.8
Hong Kong	0.2
Israel	1.4
Italy	5.0
Japan	25.1
Netherlands	6.4
Portugal	1.5
Singapore	2.8
Spain	1.4
Sweden	1.5
Switzerland	1.6
United Kingdom	20.2
United States	7.0

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

Scotia Private Diversified International Equity Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	5,165,411	326,535,550	–	331,700,961
Bonds and debentures	–	19,067,740	–	19,067,740
Warrants, rights and options	941,234	–	–	941,234
	6,106,645	345,603,290	–	351,709,935
Liability for written options	(368,309)	–	–	(368,309)
	5,738,336	345,603,290	–	351,341,626

Transfers between levels

During the period ended December 31, 2018, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018, 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, 2018.

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

As at December 31, 2018, 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 Growth Equity Pool

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018
ASSETS	
Current assets	
Financial assets at fair value through profit or loss (note 2)	
Non-derivative financial assets	201,131,330
Derivatives	711
Cash	775,015
Receivable for securities sold	232,700
Accrued investment income and other	7,850
	<u>202,147,606</u>
LIABILITIES	
Current liabilities	
Payable for securities purchased	759,779
Redemptions payable	223,200
	<u>982,979</u>
Net assets attributable to holders of redeemable units	<u>201,164,627</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Series I	<u>201,164,627</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Series I	<u>9.83</u>

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2018
INCOME	
Dividends	187,459
Interest for distribution purposes	14,702
Net realized gain (loss) on non-derivative financial assets	(1,526,217)
Change in unrealized gain (loss) on non-derivative financial assets	(1,623,863)
Change in unrealized gain (loss) on derivatives	711
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(2,947,208)</u>
Net realized and unrealized foreign currency translation gain (loss)	61,535
Total income (loss), net	<u>(2,885,673)</u>
EXPENSES	
Fixed administration fees (note 6)	20,072
Independent Review Committee fees	624
Interest expense and bank overdraft charges	318
Foreign withholding taxes/tax reclaims	39,306
Harmonized Sales Tax/Goods and Services Tax	2,288
Transaction costs	72,812
Total expenses	<u>135,420</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(3,021,093)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Series I	<u>(3,021,093)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT [†]	
Series I	<u>(0.22)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Series I	13,670,042

[†] 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.

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

For the period ended December 31 (note 1),

(in dollars)	2018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Series I	—
	<u>—</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Series I	<u>(3,021,093)</u>
	<u>(3,021,093)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net investment income	
Series I	<u>(131,971)</u>
	<u>(131,971)</u>
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Series I	206,171,820
Reinvested distributions	
Series I	131,971
Payments on redemption	
Series I	<u>(1,986,100)</u>
	<u>204,317,691</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Series I	<u>201,164,627</u>
	<u>201,164,627</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Series I	<u>201,164,627</u>
	<u>201,164,627</u>

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	(3,021,093)
Adjustments for:	
Net realized (gain) loss on non-derivative financial assets	1,526,217
Change in unrealized (gain) loss on non-derivative financial assets	1,623,863
Change in unrealized (gain) loss on derivatives	(711)
Unrealized foreign currency translation (gain) loss	2,710
Purchases of non-derivative financial assets and liabilities	(221,122,930)
Proceeds from sale of non-derivative financial assets and liabilities	17,368,599
Accrued investment income and other	(7,850)
Net cash provided by (used in) operating activities	<u>(203,631,195)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	206,171,820
Amounts paid on redemption of redeemable units	<u>(1,762,900)</u>
Net cash provided by (used in) financing activities	204,408,920
Unrealized foreign currency translation gain (loss)	(2,710)
Net increase (decrease) in cash	777,725
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>775,015</u>
Interest paid ⁽¹⁾	318
Interest received, net of withholding taxes ⁽¹⁾	14,702
Dividends received, net of withholding taxes ⁽¹⁾	140,572

⁽¹⁾ Classified as operating items.

Scotia Private International Growth Equity Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 100.0%				EQUITIES (cont'd)			
Australia – 1.6%				Switzerland (cont'd)			
CSL Ltd.	17,810	3,146,883	3,174,446	Sika AG	24,005	4,047,604	4,162,096
Canada – 0.7%				Straumann Holding AG	4,972	4,326,305	4,290,277
Toronto-Dominion Bank, The	21,100	1,536,313	1,431,846			29,095,259	28,250,292
Denmark – 2.2%				United Kingdom – 18.9%			
Chr Hansen Holding AS	17,760	2,191,993	2,146,276	AstraZeneca PLC	68,960	7,174,251	7,039,086
Coloplast AS	17,599	2,189,168	2,230,803	Croda International PLC	49,051	4,064,585	3,976,810
		4,381,161	4,377,079	Diageo PLC	138,200	6,477,240	6,704,560
France – 10.3%				Experian PLC	102,242	3,177,527	3,391,735
Airbus Group NV	46,991	6,729,177	6,131,958	Larsen & Toubro Ltd. – GDR	96,381	2,442,756	2,684,891
Kering SA	6,026	3,641,208	3,847,946	NMC Health PLC	31,721	1,902,314	1,513,485
LVMH Moët Hennessy Louis Vuitton SA	8,890	3,606,620	3,564,198	Rentokil Initial PLC	658,068	3,577,970	3,844,000
Teleperformance	20,994	4,638,105	4,585,256	Royal Dutch Shell PLC, Class A	154,686	6,400,958	6,196,814
UBISOFT Entertainment	23,928	2,644,025	2,619,127	SSP Group PLC	244,869	2,823,390	2,753,243
		21,259,135	20,748,485			38,040,991	38,104,624
Germany – 7.5%				United States – 21.7%			
Carl Zeiss Meditec AG	18,892	1,922,797	2,017,049	Adobe Systems Incorporated	18,240	5,687,392	5,629,150
Deutsche Boerse AG	17,775	2,980,814	2,916,497	Alibaba Group Holding Ltd.	12,139	2,396,536	2,269,729
Symrise AG	31,861	3,478,861	3,212,464	Alphabet Inc., Class A	3,200	4,427,735	4,561,401
Vonovia SE	49,249	3,073,966	3,049,714	Bank Rakyat Indonesia Persero – ADR	168,100	2,608,197	2,891,555
Wirecard AG	18,598	4,178,973	3,862,897	Credicorp Ltd.	10,606	3,152,369	3,207,061
		15,635,411	15,058,621	CyberArk Software Ltd.	26,730	2,659,480	2,703,337
Hong Kong – 5.0%				Ferrari N.V.	18,020	2,686,110	2,444,356
AIA Group Ltd.	603,600	6,413,651	6,773,431	Infosys Ltd. – Sponsored ADR	244,700	3,008,236	3,177,749
Tencent Holdings Limited	60,030	2,938,689	3,246,000	InterXion Holding NV	37,500	2,988,764	2,770,503
		9,352,340	10,019,431	Itau Unibanco Holding S.A. – ADR	491,524	5,832,663	6,128,293
Indonesia – 0.1%				Taiwan Semiconductor Manufacturing Company Ltd. – ADR	37,000	1,838,159	1,862,921
PT Bank Rakyat Indonesia (Persero) Tbk	294,300	100,153	102,511	Visa Inc., Class A	33,900	6,193,886	6,101,334
Italy – 1.7%						43,479,527	43,747,389
Davide Campari-Milano SpA	295,510	3,235,846	3,412,536	TOTAL EQUITIES		202,755,193	201,131,330
Japan – 7.3%				Transaction Costs		(53,477)	
Keyence Corporation	1,680	1,189,118	1,155,230	TOTAL INVESTMENT PORTFOLIO		202,701,716	201,131,330
Seven & i Holdings Co., Ltd.	60,400	3,489,216	3,588,347	Unrealized Gain (Loss) on Derivatives – 0.0%			711
Shionogi & Co., Ltd.	30,480	2,712,886	2,358,150	OTHER ASSETS, LESS LIABILITIES – 0.0%			32,586
Shiseido Co., Ltd.	24,100	2,069,210	2,043,143	NET ASSETS – 100.0%			201,164,627
Sony Corporation	77,950	5,366,627	5,121,768				
UT Group Co., Ltd.	13,603	521,257	321,237				
		15,348,314	14,587,875				
Luxembourg – 1.5%							
JP Morgan Structured Notes Nov 13, 2019	14,200	1,586,049	1,652,870				
JP Morgan Structured Notes Nov 20, 2019	136,300	1,339,169	1,364,711				
		2,925,218	3,017,581				
Netherlands – 5.2%							
Adyen NV	4,724	3,814,967	3,477,424				
ASML Holding NV	13,901	3,139,772	2,959,282				
Wolters Kluwer NV	49,286	3,786,613	3,971,078				
		10,741,352	10,407,784				
Singapore – 1.0%							
DBS Group Holdings Limited	85,000	1,918,570	2,003,514				
Sweden – 1.3%							
Elekta AB, Class B	109,622	1,751,832	1,776,359				
Epiroc AB, Class A	70,275	806,888	910,957				
		2,558,720	2,687,316				
Switzerland – 14.0%							
Lonza Group AG	16,664	6,857,238	5,910,191				
Nestlé S.A.	62,983	6,992,155	6,985,634				
Novartis AG	59,071	6,871,957	6,902,094				

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

Scotia Private International Growth Equity Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve long-term capital growth by investing primarily in equity securities in developed markets outside of Canada and the U.S. and in developing markets. The Fund can invest up to 100% of its assets in foreign securities.

The Fund may also invest 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, 2018. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
European Euro	49,627,283	–	49,627,283	24.7
US Dollar	49,451,626	–	49,451,626	24.6
British Pound	35,419,733	–	35,419,733	17.6
Swiss Franc	28,249,731	–	28,249,731	14.0
Japanese Yen	14,592,975	–	14,592,975	7.3
Hong Kong Dollar	10,019,431	–	10,019,431	5.0
Danish Krone	4,377,079	–	4,377,079	2.2
Australian Dollar	3,174,446	–	3,174,446	1.6
Swedish Krona	2,687,317	–	2,687,317	1.3
Singapore Dollar	2,003,527	–	2,003,527	1.0
Indonesian Rupiah	102,511	–	102,511	0.1
	199,705,659	–	199,705,659	99.4

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$19,970,566 or approximately 9.9% 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at

December 31, 2018, approximately 100.0% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$20,113,133. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018.

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. 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, 2018
Australia	1.6
Canada	0.7
Denmark	2.2
France	10.3
Germany	7.5
Hong Kong	5.0
Indonesia	0.1
Italy	1.7
Japan	7.3
Luxembourg	1.5
Netherlands	5.2
Singapore	1.0
Sweden	1.3
Switzerland	14.0
United Kingdom	18.9
United States	21.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	48,196,816	152,934,514	–	201,131,330
Unrealized gain on currency spot contracts	–	711	–	711
	48,196,816	152,935,225	–	201,132,041

Transfers between levels

During the period ended December 31, 2018, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018, 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, 2018.

Scotia Private International Growth Equity 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, 2018, 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, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	283,843,552	311,921,814
Cash	1,576,342	–
Receivable for securities sold	–	1,691,320
Subscriptions receivable	436,631	933,565
Accrued investment income and other	566,974	543,889
	<u>286,423,499</u>	<u>315,090,588</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	–	1,492
Bank overdraft	–	688,914
Payable for securities purchased	806,332	291,033
Redemptions payable	284,278	508,433
Accrued expenses	–	9
Distributions payable	–	699
	<u>1,090,610</u>	<u>1,490,580</u>
Net assets attributable to holders of redeemable units	<u>285,332,889</u>	<u>313,600,008</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series M	285,332,889	313,600,008
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series M	10.32	10.39

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	8,008,516	7,461,791
Interest for distribution purposes	8,390	7,747
Net realized gain (loss) on non-derivative financial assets	7,004,212	(770,046)
Change in unrealized gain (loss) on non-derivative financial assets	(8,043,786)	9,944,923
Change in unrealized gain (loss) on derivatives	1,492	(1,492)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	6,978,824	16,642,923
Securities lending (note 11)	14,155	–
Net realized and unrealized foreign currency translation gain (loss)	(268,627)	(205,788)
Total income (loss), net	<u>6,724,352</u>	<u>16,437,135</u>
EXPENSES		
Management fees (note 5)	411,359	1,307,292
Fixed administration fees (note 6)	274,239	236,902
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,701	3,541
Foreign withholding taxes/tax reclaims	1,061,735	1,060,069
Harmonized Sales Tax/Goods and Services Tax	69,108	62,015
Transaction costs	55,058	89,186
Total expenses	<u>1,874,449</u>	<u>2,760,140</u>
Expenses absorbed by the Manager	–	(951,938)
Net expenses	<u>1,874,449</u>	<u>1,808,202</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>4,849,903</u>	<u>14,628,933</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series M	4,849,903	14,628,933
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT†		
Series M	0.19	0.63
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series M	25,543,270	23,356,904

† 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series M	313,600,008	150,053
	<u>313,600,008</u>	<u>150,053</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series M	4,849,903	14,628,933
	<u>4,849,903</u>	<u>14,628,933</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series M	(6,269,585)	(5,140,739)
From net realized gains on investments		
Series M	(1,281,275)	–
	<u>(7,550,860)</u>	<u>(5,140,739)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series M	97,776,448	338,422,959
Reinvested distributions		
Series M	7,525,737	5,140,400
Payments on redemption		
Series M	(130,868,347)	(39,601,238)
	<u>(25,566,162)</u>	<u>303,961,761</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series M	(28,267,119)	313,449,955
	<u>(28,267,119)</u>	<u>313,449,955</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series M	285,332,889	313,600,008
	<u>285,332,889</u>	<u>313,600,008</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,849,903	14,628,933
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,004,212)	770,046
Change in unrealized (gain) loss on non-derivative financial assets	8,043,786	(9,944,923)
Change in unrealized (gain) loss on derivatives	(1,492)	1,492
Unrealized foreign currency translation (gain) loss	20,562	(3,225)
Other non-cash transactions	–	(71,614)
Purchases of non-derivative financial assets and liabilities	(101,591,395)	(335,651,602)
Proceeds from sale of non-derivative financial assets and liabilities	130,836,702	31,575,992
Accrued investment income and other	(23,085)	(543,834)
Accrued expenses and other payables	(9)	8
Net cash provided by (used in) operating activities	<u>35,130,760</u>	<u>(299,238,727)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	98,273,382	337,489,394
Amounts paid on redemption of redeemable units	(131,092,502)	(39,092,805)
Distributions to unitholders of redeemable units	(25,822)	–
Net cash provided by (used in) financing activities	<u>(32,844,942)</u>	<u>298,396,589</u>
Unrealized foreign currency translation gain (loss)	(20,562)	3,225
Net increase (decrease) in cash	2,285,818	(842,138)
Cash (bank overdraft), beginning of period	(688,914)	149,999
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,576,342</u>	<u>(688,914)</u>
Interest paid ⁽¹⁾	1,701	3,542
Interest received, net of withholding taxes ⁽¹⁾	8,390	7,803
Dividends received, net of withholding taxes ⁽¹⁾	6,923,694	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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.2%				EQUITIES (cont'd)			
Australia – 5.1%				Japan (cont'd)			
Alumina Ltd.	888,540	1,839,558	1,946,848	Inpex Corporation	48,379	617,857	589,075
AusNet Services	371,114	611,427	555,053	Japan Prime Realty Investment Corporation	91	452,596	471,493
Australian Stock Exchange Ltd.	13,844	736,987	798,470	Kobe Steel Ltd.	27,065	347,090	255,758
BHP Billiton Limited	7,995	218,563	263,261	Lawson Inc.	2,044	176,940	177,081
Caltex Australia Limited	10,786	329,397	264,183	Maruichi Steel Tube Ltd.	75,035	3,059,265	3,222,120
Coca-Cola Amatil Ltd.	194,842	1,877,236	1,533,900	McDonald's Holdings Company Japan Ltd.	48,828	2,158,555	2,838,399
Cochlear Limited	10,607	1,564,838	1,759,092	Mediceo Paltac Holding Company	27,947	686,407	824,842
Computershare Ltd.	48,595	758,801	802,972	Mitsubishi Materials Corporation	14,328	610,750	512,524
Goodman Group	47,804	413,534	488,347	Mitsubishi Tanabe Pharma Corporation	39,024	1,023,448	764,973
GPT Group	32,577	163,283	167,227	Nippon Prologis REIT Inc.	244	699,481	702,787
Newcrest Mining Limited	55,908	1,266,278	1,175,560	Nippon Steel Corporation	55,812	1,746,256	1,302,160
Origin Energy Ltd.	19,553	158,047	121,601	Ryohin Keikaku Co., Ltd.	1,275	463,980	423,372
SEEK Ltd.	18,546	316,754	301,632	Sega Sammy Holdings Inc.	26,579	508,733	511,391
Sonic Healthcare Limited	62,955	1,389,675	1,338,009	Sumitomo Metal Mining Co., Ltd.	3,623	147,165	131,476
Stockland	117,744	522,016	398,674	Suntory Beverage & Food Ltd.	22,817	1,272,798	1,405,150
Sydney Airport	117,793	780,888	762,043	Suzuken Co., Ltd.	14,259	665,930	998,516
Telstra Corporation Limited	208,263	903,336	570,558	Taisho Pharmaceutical Holdings Co., Ltd.	5,687	641,497	771,445
Vicinity Centres	173,026	490,879	432,385	Takashimaya Co., Ltd.	49,879	1,225,258	864,793
Woolworths Group Ltd.	29,652	806,133	838,569	Toho Co Ltd.	4,442	174,536	219,025
		15,147,630	14,518,384	Unicharm Corporation	16,289	557,313	718,021
Austria – 0.5%				United Urban Investment Corporation	75	151,145	158,674
Voestalpine AG	36,253	2,168,450	1,479,341	USS Co., Ltd.	25,768	688,675	586,783
Belgium – 0.8%				Yamada Denki Co., Ltd.	49,200	314,945	321,628
Colruyt SA	24,427	1,675,706	2,374,210		18,954,162	19,371,030	
France – 0.9%				New Zealand – 2.5%			
ICADE	4,878	550,945	505,954	Auckland International Airport Limited	312,106	1,964,923	2,044,790
Iliad SA	1,107	309,427	211,088	Fisher & Paykel Healthcare Corporation Ltd.	11,963	140,762	141,580
TOTAL SA	22,052	1,528,882	1,589,473	Ryman Healthcare Limited	261,579	1,271,541	2,565,577
Veolia Environnement SA	14,084	439,041	394,161	Spark New Zealand Ltd.	657,989	2,183,176	2,494,348
		2,828,295	2,700,676		6,560,402	7,246,295	
Germany – 0.8%				Norway – 2.9%			
Deutsche Telekom AG	9,447	241,312	218,949	Equinor ASA	55,804	1,410,760	1,623,924
Fraport AG Frankfurt Airport Services Worldwide	5,465	537,743	532,971	Norsk Hydro ASA	287,561	2,251,593	1,775,995
Fresenius Medical Care AG & Co. KGaA	4,493	509,341	398,196	Orkla ASA	217,947	2,641,784	2,338,578
Henkel AG & Co KGaA	866	139,899	129,026	Telenor ASA	101,448	2,402,270	2,672,238
RTL Group SA	10,003	1,034,357	730,511		8,706,407	8,410,735	
ThyssenKrupp AG	14,641	484,957	342,860	Singapore – 3.7%			
		2,947,609	2,352,513	Ascendas Real Estate Investment Trust	276,964	660,337	710,447
Hong Kong – 3.3%				Capitaland Commercial Trust	291,887	446,890	510,228
Cheung Kong Infrastructure Holdings Limited	146,375	1,569,656	1,507,215	Capitaland Mall Trust	758,468	1,427,324	1,712,017
CLP Holdings Limited	103,691	1,383,125	1,594,516	Dairy Farm International Holdings Ltd.	41,900	480,378	516,201
Hang Lung Group Ltd.	69,000	254,685	239,135	SATS Ltd.	69,800	341,696	326,327
Hang Lung Properties Ltd.	147,000	395,272	382,220	Singapore Exchange Limited	28,519	201,861	203,302
HK Electric Investments & HK Electric Investments Ltd.	428,575	517,498	589,125	Singapore Press Holdings Ltd.	745,888	2,246,203	1,748,440
HKT Trust and HKT Ltd.	931,305	1,689,120	1,829,150	Singapore Technologies Engineering Ltd.	198,600	630,012	690,964
Hong Kong and China Gas Company Limited	461,723	991,687	1,299,905	Singapore Telecommunications Limited	566,537	1,842,153	1,657,848
Hongkong Electric Holdings Limited	40,244	449,038	381,135	Suntec Real Estate Investment Trust	776,264	1,312,338	1,379,849
Hongkong Land Holdings Limited	16,900	146,183	145,327	Wilmar International Ltd.	361,872	1,209,471	1,131,056
Hysan Development Company Ltd.	21,813	136,566	141,089		10,798,663	10,586,679	
PCCW Limited	1,137,523	885,733	892,708	Sweden – 1.3%			
Shangri-La Asia Limited	254,719	460,355	511,962	Boliden AB	26,786	1,069,367	795,195
		8,878,918	9,513,487	Millicom International Cellular S.A.	34,922	2,865,721	3,024,706
Israel – 1.6%					3,935,088	3,819,901	
Bank Hapoalim BM	40,341	341,451	349,126	Switzerland – 5.8%			
Bank Leumi le-Israel Ltd.	203,725	1,280,530	1,683,262	Baloise Holding AG	3,771	677,883	710,081
Bezeq Israeli Telecommunication Corporation Ltd.	366,891	794,872	489,686	Dufry AG	1,320	240,323	171,027
Mizrahi Tefahot Bank Ltd.	93,517	2,086,856	2,159,980	Givaudan SA	279	705,172	882,818
		4,503,709	4,682,054	Kuehne + Nagel International AG	9,838	1,901,166	1,730,170
Japan – 6.8%				Lindt & Spruengli AG	225	1,941,635	2,186,386
Alfresa Holdings Corporation	7,294	185,344	257,471	Nestlé S.A.	13,220	1,329,253	1,466,270
Daiwa House Real Estate Investment Trust Investment Corporation	112	378,198	342,073	Pargesa Holding SA	1,919	180,197	189,119

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Switzerland (cont'd)				United States (cont'd)			
Sika AG	2,781	388,001	482,182	FMC Technologies, Inc.	66,230	2,565,274	1,768,952
Sonova Holdings AG	10,928	2,043,689	2,430,819	Gartner Inc., Class A	15,321	2,261,059	2,671,791
Swiss Life Holding AG	3,010	1,259,352	1,584,954	Genuine Parts Company	11,505	1,459,532	1,506,943
Swiss Prime Site AG	15,242	1,689,130	1,684,683	Halliburton Company	40,813	2,504,211	1,479,797
Swisscom AG	4,676	2,815,353	3,052,789	Harris Corporation	2,909	458,288	534,317
		<u>15,171,154</u>	<u>16,571,298</u>	Helemerich & Payne, Inc.	16,339	1,224,581	1,068,494
United Kingdom – 3.2%				Henry Schein Inc.	24,639	2,649,349	2,639,077
Antofagasta PLC	44,300	637,518	599,240	Hormel Foods Corporation	54,571	2,569,570	3,177,130
British American Tobacco PLC	5,839	481,258	254,146	Invitation Homes Inc.	27,873	776,178	763,477
Coca-Cola HBC AG	38,164	1,371,420	1,620,825	IQVIA Holdings Inc.	8,423	935,576	1,334,779
Compass Group PLC	17,413	455,750	498,982	J.M. Smucker Company, The	9,727	1,623,524	1,240,488
Fresnillo PLC	21,857	534,070	326,057	Jack Henry & Associates Inc.	9,191	1,359,388	1,586,246
Imperial Brands PLC	28,849	1,679,925	1,190,732	Juniper Networks, Inc.	4,077	141,108	149,659
John Wood Group PLC	34,550	419,105	301,936	Kellogg Company	14,930	1,382,801	1,161,073
Marks & Spencer Group PLC	227,490	1,134,350	978,633	Kimberly-Clark Corporation	19,434	3,161,244	3,020,557
National Grid PLC	60,597	997,981	799,843	Kimco Realty Corporation	12,773	347,582	255,258
RELX PLC	57,792	1,488,926	1,620,120	Kinder Morgan Inc.	32,600	738,709	683,947
Royal Mail PLC	57,519	418,586	272,553	Laboratory Corporation of America Holdings	7,361	1,414,728	1,268,806
Whitbread PLC	2,481	194,602	197,125	Liberty Property Trust	29,736	1,556,793	1,698,783
Wm Morrison Supermarkets PLC	128,736	571,119	476,252	M&T Bank Corporation	11,948	2,615,284	2,332,784
		<u>10,384,610</u>	<u>9,136,444</u>	McCormick & Company, Inc.	15,116	2,023,912	2,871,108
United States – 60.0%				Mondelez International, Inc.	2,700	161,572	147,434
Alliant Energy Corporation	50,762	2,610,216	2,925,594	Motorola Solutions, Inc.	17,107	1,950,244	2,684,549
Altria Group Inc.	31,876	2,906,139	2,147,590	National-Oilwell Varco Inc.	30,366	1,656,621	1,064,558
American Capital Agency Corporation	52,541	1,185,588	1,257,119	Newmont Mining Corporation	40,812	1,826,094	1,929,033
American Electric Power Company Inc.	18,639	1,624,813	1,900,309	News Corporation, Class A	23,205	411,731	359,274
AmerisourceBergen Corporation	19,407	2,273,473	1,969,609	NISource Inc.	15,143	483,099	523,647
Annaly Capital Management Inc.	198,397	2,743,772	2,657,634	Nucor Corporation	32,130	2,602,992	2,270,769
Arch Capital Group Ltd.	56,600	2,151,492	2,063,011	Occidental Petroleum Corporation	27,292	2,400,912	2,285,130
Arthur J. Gallagher & Co.	30,370	2,368,868	3,053,240	OGE Energy Corporation	40,383	1,825,312	2,158,850
AvalonBay Communities Inc.	8,774	2,040,256	2,083,149	ONEOK, Inc.	6,945	503,741	511,108
Baker Hughes, a GE company	13,250	668,711	388,600	O'Reilly Automotive, Inc.	6,023	2,076,913	2,829,022
Baxter International Inc.	2,365	170,884	212,343	Paychex, Inc.	35,827	2,853,350	3,184,003
Brown-Forman Corporation, Class B	27,685	1,515,159	1,796,874	People's United Financial Inc.	8,853	219,318	174,263
C.H. Robinson Worldwide, Inc.	4,175	434,612	478,905	Philip Morris International Inc.	21,450	2,880,330	1,953,405
Camden Property Trust	11,761	1,291,424	1,412,610	Phillips 66 Company	13,679	1,526,328	1,607,527
Campbell Soup Company	32,142	2,268,451	1,446,451	Pinnacle West Capital Corporation	18,181	1,914,312	2,113,032
CentrePoint Energy, Inc.	66,440	2,338,000	2,558,522	Procter & Gamble Company, The	23,454	2,688,376	2,940,868
Chevron Corporation	18,083	2,652,362	2,683,540	Public Service Enterprise Group Incorporated	3,264	213,492	231,750
Church & Dwight Co., Inc.	33,321	2,207,900	2,989,018	Public Storage Real Estate Investment Trust	2,888	825,210	797,403
CIGNA Corporation	2,857	693,310	740,167	Quest Diagnostics Incorporated	23,327	3,010,645	2,649,696
Clorox Company, The	16,492	2,888,993	3,467,666	Regency Centers Corporation	24,485	2,126,621	1,959,922
CMS Energy Corporation	35,399	2,056,759	2,397,501	RenaissanceRe Holdings Ltd.	6,349	1,173,216	1,157,938
Coca-Cola Company, The	9,520	543,041	614,902	Republic Services, Inc.	28,700	2,947,484	2,822,315
Colgate-Palmolive Company	28,389	2,638,281	2,304,951	Ross Stores, Inc.	3,812	333,456	432,638
Consolidated Edison, Inc.	16,680	1,655,823	1,739,718	Schlumberger Limited	35,659	3,396,369	1,755,029
Cooper Companies Inc., The	2,657	726,798	922,418	Sempra Energy	13,269	1,876,505	1,958,276
Costco Wholesale Corporation	5,517	1,303,001	1,533,077	SL Green Realty Corporation	4,702	583,841	507,222
Crown Castle International Corporation	2,169	302,067	321,409	Southern Company	13,793	858,179	826,361
DaVita, Inc.	24,918	2,191,138	1,749,168	Stryker Corporation	10,377	1,865,432	2,218,850
DENTSPLY SIRONA Inc.	32,101	2,505,679	1,629,397	Synopsys Inc.	17,725	1,750,367	2,036,823
Dollar General Corporation	3,575	381,632	527,072	Sysco Corporation	19,895	1,434,923	1,700,525
Dollar Tree Inc.	22,097	2,391,606	2,722,487	Torchmark Corporation	15,745	1,631,205	1,600,746
Dominion Resources, Inc.	7,891	747,701	769,208	Twenty-First Century Fox Inc., Class B	15,800	1,031,466	1,029,798
DTE Energy Company	21,579	2,862,469	3,246,799	UDR Inc.	65,499	3,032,206	3,539,955
Energy Corporation	6,855	679,126	804,837	Varian Medical Systems Inc.	6,557	804,406	1,013,496
Equity Residential Real Estate Investment Trust	6,093	495,459	548,643	VeriSign, Inc.	694	86,405	140,385
Eversource Energy	19,758	1,495,389	1,752,961	Vornado Realty Trust Real Estate Investment Trust	3,387	422,355	286,593
Expeditors International of Washington, Inc.	27,958	2,169,232	2,596,797	W.R. Berkley Corporation	6,349	636,929	640,114
Exxon Mobil Corporation	13,806	1,470,930	1,284,213	Waste Management, Inc.	11,000	1,368,868	1,335,311
F5 Networks, Inc.	1,518	285,741	335,518	WEC Energy Group Inc.	32,398	2,533,458	3,060,901
Federal Realty Investment Trust	11,476	2,013,080	1,847,857	Western Union Company	50,267	1,300,505	1,169,797
Fiserv, Inc.	4,628	436,656	463,949	Weyerhaeuser Company	24,328	1,077,578	725,446
				Williams Companies Inc., The	9,300	313,618	279,731
				Xcel Energy, Inc.	32,365	1,859,620	2,175,238

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States (cont'd)			
Yum! Brands, Inc.	21,800	2,666,065	2,733,475
		<u>169,296,391</u>	<u>171,080,505</u>
Transaction Costs		(65,145)	
TOTAL INVESTMENT PORTFOLIO		<u>281,892,049</u>	<u>283,843,552</u>
OTHER ASSETS, LESS LIABILITIES – 0.8%			1,489,337
NET ASSETS – 100.0%			<u>285,332,889</u>

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 investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	172,233,854	–	172,233,854	60.4
Japanese Yen	19,469,643	–	19,469,643	6.8
Swiss Franc	16,598,727	–	16,598,727	5.8
Australian Dollar	14,594,676	–	14,594,676	5.1
Singapore Dollar	10,195,123	–	10,195,123	3.6
Hong Kong Dollar	9,394,265	–	9,394,265	3.3
British Pound	9,218,617	–	9,218,617	3.2
European Euro	8,932,319	–	8,932,319	3.1
Norwegian Krone	8,430,836	–	8,430,836	3.0
New Zealand Dollar	7,298,331	–	7,298,331	2.6
Israel Shekel	4,735,655	–	4,735,655	1.7
Swedish Krona	3,829,029	–	3,829,029	1.3
Danish Krone	24,371	–	24,371	0.0
	284,955,446	–	284,955,446	99.9

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 foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$28,495,545 or approximately 10.0% of net assets (December 31, 2017 – \$31,244,617 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.2% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$28,384,355 (December 31, 2017 – \$31,192,181). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Australia	5.1	5.2
Austria	0.5	0.9
Belgium	0.8	0.3
Denmark	–	0.3
France	0.9	1.1
Germany	0.8	0.9
Hong Kong	3.3	3.2
Israel	1.6	2.0
Japan	6.8	8.7
New Zealand	2.5	2.4
Norway	2.9	3.2
Singapore	3.7	3.5
Sweden	1.3	0.8
Switzerland	5.8	5.6
United Kingdom	3.2	3.6
United States	60.0	57.7

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	171,080,505	112,763,047	–	283,843,552
	171,080,505	112,763,047	–	283,843,552

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, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Global Dividend Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	685,506,445	722,396,674
Derivatives	125,605	3,143,625
Cash	109,949,298	60,767,264
Cash collateral deposited on derivatives	2,278,060	–
Subscriptions receivable	393,583	1,143,611
Accrued investment income and other	1,130,434	1,195,303
	<u>799,383,425</u>	<u>788,646,477</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	6,199,356	447,908
Payable for securities purchased	–	3,355,281
Redemptions payable	200,525	234,121
Distributions payable	257	–
	<u>6,400,138</u>	<u>4,037,310</u>
Net assets attributable to holders of redeemable units	<u>792,983,287</u>	<u>784,609,167</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	234,866,722	245,585,186
Series I	558,116,565	539,023,981
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.04	16.25
Series I	14.99	16.21

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	21,388,968	19,146,799
Interest for distribution purposes	1,080,630	371,343
Net realized gain (loss) on non-derivative financial assets	24,573,453	76,724,300
Change in unrealized gain (loss) on non-derivative financial assets	(59,804,460)	(9,780,558)
Net realized gain (loss) on derivatives	(1,881,303)	1,084,248
Change in unrealized gain (loss) on derivatives	<u>(8,769,468)</u>	<u>3,685,145</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(23,412,180)	91,231,277
Securities lending (note 11)	38,120	13,091
Net realized and unrealized foreign currency translation gain (loss)	1,208,866	(415,981)
Other income	5,092	1,503
Total income (loss), net	<u>(22,160,102)</u>	<u>90,829,890</u>
EXPENSES		
Management fees (note 5)	3,788,416	3,484,682
Fixed administration fees (note 6)	592,305	526,019
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	19,366	2,510
Foreign withholding taxes/tax reclaims	2,238,702	2,419,619
Harmonized Sales Tax/Goods and Services Tax	448,594	408,503
Transaction costs	654,098	773,110
Total expenses	<u>7,742,730</u>	<u>7,615,578</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(29,902,832)</u>	<u>83,214,312</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(12,043,778)	23,408,072
Series I	<u>(17,859,054)</u>	<u>59,806,240</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.78)	1.77
Series I	<u>(0.51)</u>	<u>2.11</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	15,399,837	13,222,302
Series I	35,047,788	28,367,864

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

Scotia Global Dividend Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	245,585,186	209,069,335
Series I	539,023,981	461,190,520
	<u>784,609,167</u>	<u>670,259,855</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(12,043,778)	23,408,072
Series I	(17,859,054)	59,806,240
	<u>(29,902,832)</u>	<u>83,214,312</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,481,047)	(1,098,803)
Series I	(13,783,387)	(11,290,309)
From net realized gains on investments		
Series A	(4,725,067)	(24,033,683)
Series I	(11,172,995)	(52,590,914)
	<u>(31,162,496)</u>	<u>(89,013,709)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	47,304,791	47,107,440
Series I	52,023,000	35,168,946
Reinvested distributions		
Series A	6,155,865	24,927,501
Series I	24,956,381	63,881,223
Payments on redemption		
Series A	(45,929,228)	(33,794,676)
Series I	(15,071,361)	(17,141,725)
	<u>69,439,448</u>	<u>120,148,709</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(10,718,464)	36,515,851
Series I	19,092,584	77,833,461
	<u>8,374,120</u>	<u>114,349,312</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	234,866,722	245,585,186
Series I	558,116,565	539,023,981
	<u>792,983,287</u>	<u>784,609,167</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(29,902,832)	83,214,312
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(24,573,453)	(76,724,300)
Change in unrealized (gain) loss on non-derivative financial assets	59,804,460	9,780,558
Change in unrealized (gain) loss on derivatives	8,769,468	(3,685,145)
Unrealized foreign currency translation (gain) loss	356,250	(76,461)
Other non-cash transactions	(348,236)	(411,655)
Purchases of non-derivative financial assets and liabilities	(552,256,402)	(630,058,314)
Proceeds from sale of non-derivative financial assets and liabilities	550,908,578	604,244,133
Cash collateral deposited on derivatives	(2,278,060)	–
Accrued investment income and other	64,869	(72,004)
Accrued expenses and other payables	–	(14,033)
Net cash provided by (used in) operating activities	<u>10,544,642</u>	<u>(13,802,909)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	100,077,820	81,492,612
Amounts paid on redemption of redeemable units	(61,034,185)	(51,113,342)
Distributions to unitholders of redeemable units	(49,993)	(205,370)
Net cash provided by (used in) financing activities	38,993,642	30,173,900
Unrealized foreign currency translation gain (loss)	(356,250)	76,461
Net increase (decrease) in cash	49,538,284	16,370,991
Cash (bank overdraft), beginning of period	60,767,264	44,319,812
CASH (BANK OVERDRAFT), END OF PERIOD	<u>109,949,298</u>	<u>60,767,264</u>
Interest paid ⁽¹⁾	19,366	2,510
Interest received, net of withholding taxes ⁽¹⁾	1,080,630	390,560
Dividends received, net of withholding taxes ⁽¹⁾	18,866,899	16,224,304

⁽¹⁾ Classified as operating items.

Scotia Global Dividend Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 86.3%				EQUITIES (cont'd)			
Belgium – 2.3%				United Kingdom – 5.7%			
Anheuser-Busch InBev NV	138,400	18,234,754	12,497,366	British American Tobacco PLC	313,200	21,585,654	13,632,232
Shurgard Self Storage Europe S.a.r.l.	153,200	5,325,474	5,804,091	Kingfisher PLC	1,979,700	8,558,662	7,148,669
		<u>23,560,228</u>	<u>18,301,457</u>	Lloyds Banking Group PLC	13,478,300	15,221,294	12,155,982
				Prudential PLC	512,500	14,496,094	12,498,243
Canada – 4.7%						<u>59,861,704</u>	<u>45,435,126</u>
Canadian Imperial Bank of Commerce	108,200	10,965,409	11,001,776	United States – 46.1%			
Hydro One Limited	748,700	14,729,011	15,161,175	Allergan PLC	98,200	25,521,336	17,904,474
TransCanada Corporation	232,926	12,381,159	11,355,143	American Tower Corporation	17,400	2,484,035	3,754,714
		<u>38,075,579</u>	<u>37,518,094</u>	Anthem, Inc.	56,100	12,093,759	20,098,138
France – 4.3%				Apple Inc.	54,500	8,840,223	11,727,001
Danone	132,545	11,246,729	12,745,781	Bank of America Corporation	472,600	17,429,377	15,884,847
Gecina SA	21,652	4,681,304	3,813,616	Broadcom Ltd.	47,400	14,555,665	16,441,414
Sanofi	44,600	5,231,220	5,258,780	Cisco Systems, Inc.	135,600	7,584,011	8,014,880
Thales SA	78,000	10,685,451	12,379,814	Citigroup Inc.	203,500	17,540,038	14,451,642
		<u>31,844,704</u>	<u>34,197,991</u>	Coca-Cola Company, The	114,600	5,782,264	7,402,071
Germany – 4.5%				Comcast Corporation, Class A	406,800	17,709,985	18,894,991
Bayer AG	171,621	23,542,015	16,236,865	DowDuPont Inc.	282,900	23,553,863	20,638,255
Siemens AG	127,500	21,400,495	19,401,695	Equinix Inc.	16,300	8,590,182	7,839,155
		<u>44,942,510</u>	<u>35,638,560</u>	Johnson & Johnson	61,800	9,875,775	10,879,154
Hong Kong – 2.3%				MasterCard, Inc., Class A	63,300	16,597,950	16,289,552
CK Hutchison Holdings Ltd.	1,407,200	22,131,852	18,344,353	McDonald's Corporation	59,800	10,570,487	14,485,030
Japan – 4.2%				Medtronic PLC	108,100	10,642,576	13,412,964
Komatsu Ltd.	111,700	4,291,702	3,246,479	Merck & Co., Inc.	35,300	2,611,560	3,679,371
Mitsubishi Electric Corporation	239,600	4,242,522	3,583,916	Microsoft Corporation	172,150	14,656,768	23,851,797
Murata Manufacturing Co., Ltd.	20,600	4,256,630	3,872,776	Mondelez International, Inc.	254,500	13,233,264	13,897,030
Omron Corporation	75,200	4,205,709	3,698,156	Morgan Stanley	215,500	14,262,474	11,655,720
Sony Corporation	289,200	18,443,238	19,002,120	Oracle Corporation	265,800	14,575,585	16,370,478
		<u>35,439,801</u>	<u>33,403,447</u>	Pfizer Inc.	93,000	3,721,711	5,537,527
Netherlands – 5.2%				Philip Morris International Inc.	142,500	16,902,073	12,977,165
Heineken NV	70,800	8,474,782	8,514,005	Sempra Energy	105,500	15,742,340	15,569,986
ING Groep NV	520,300	10,609,306	7,607,828	Texas Instruments Incorporated	74,000	8,810,749	9,539,204
Koninklijke Philips NV	289,300	13,990,189	13,911,139	United Technologies Corporation	131,700	19,145,463	19,129,448
Unilever NV	151,600	10,763,725	11,238,786	Visa Inc., Class A	86,200	10,314,569	15,514,307
		<u>43,838,002</u>	<u>41,271,758</u>			<u>343,348,082</u>	<u>365,840,315</u>
Spain – 1.7%				Transaction Costs		<u>(475,851)</u>	
Ferrovial S.A.	488,061	12,699,934	13,430,460	TOTAL INVESTMENT PORTFOLIO		<u>698,116,221</u>	<u>685,506,445</u>
Sweden – 2.1%				Unrealized Gain (Loss) on Derivatives – (0.8%)			<u>(6,073,751)</u>
Assa Abloy AB, Class B	686,400	17,792,828	16,750,999	OTHER ASSETS, LESS LIABILITIES – 14.5%			<u>113,550,593</u>
Switzerland – 3.2%				NET ASSETS – 100.0%			<u>792,983,287</u>
Novartis AG	115,400	11,065,022	13,483,802				
UBS Group AG	698,200	13,991,826	11,890,083				
		<u>25,056,848</u>	<u>25,373,885</u>				

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Gain (\$)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	2,300,000	Canadian Dollar	3,068,299	1.334	1.364	68,862
Royal Bank of Canada	A-1+	Jan. 16, 2019	US Dollar	500,000	Canadian Dollar	667,005	1.334	1.364	14,987
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	800,000	Canadian Dollar	1,072,952	1.341	1.364	18,234
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	US Dollar	500,000	Canadian Dollar	676,620	1.353	1.364	5,371
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Swiss Franc	550,000	Canadian Dollar	750,096	1.364	1.397	18,151
									<u>125,605</u>

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

Scotia Global Dividend Fund (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 (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	8,327,488	US Dollar	6,400,000	0.769	0.733	(401,968)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	7,685,930	US Dollar	5,900,000	0.768	0.733	(361,536)
Canadian Imperial Bank of Commerce	A-1	Jan. 16, 2019	Canadian Dollar	4,423,757	US Dollar	3,400,000	0.769	0.733	(213,766)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	8,069,982	US Dollar	6,200,000	0.768	0.733	(386,678)
Canadian Imperial Bank of Commerce	A-1	Feb. 20, 2019	Canadian Dollar	1,967,333	US Dollar	1,500,000	0.762	0.734	(77,574)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	5,378,376	US Dollar	4,100,000	0.762	0.734	(211,034)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	4,724,460	US Dollar	3,600,000	0.762	0.734	(183,315)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	7,752,010	US Dollar	5,900,000	0.761	0.734	(291,287)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	306,412	European Euro	200,000	0.653	0.636	(7,856)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	1,376,960	Swiss Franc	1,010,000	0.734	0.716	(34,069)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	228,505	European Euro	150,000	0.656	0.636	(7,196)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	5,169,322	British Pound	3,071,000	0.594	0.573	(186,357)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	934,312	Japanese Yen	78,300,000	83.805	79.952	(45,031)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	5,507,366	Swiss Franc	4,040,000	0.734	0.716	(136,747)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	2,928,836	Swiss Franc	2,150,000	0.734	0.716	(74,838)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	17,619,417	European Euro	11,501,000	0.653	0.636	(452,550)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	7,352,210	European Euro	4,804,000	0.653	0.636	(196,502)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	1,829,501	European Euro	1,195,000	0.653	0.636	(48,249)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	1,455,733	European Euro	950,000	0.653	0.636	(37,039)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	8,266,831	British Pound	4,902,000	0.593	0.573	(282,026)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	2,374,865	British Pound	1,407,000	0.592	0.573	(78,876)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	1,552,018	British Pound	920,000	0.593	0.573	(52,419)
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	337,719	British Pound	200,000	0.592	0.573	(11,072)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	2,513,990	Japanese Yen	211,150,000	83.99	79.952	(126,984)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	3,308,450	Japanese Yen	277,350,000	83.831	79.952	(160,526)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	2,461,979	Japanese Yen	206,400,000	83.835	79.952	(119,584)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	9,635,832	US Dollar	7,200,000	0.747	0.734	(175,036)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	10,165,236	US Dollar	7,600,000	0.748	0.734	(190,681)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	8,697,195	US Dollar	6,500,000	0.747	0.734	(159,839)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	3,477,201	US Dollar	2,600,000	0.748	0.734	(65,613)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	401,114	US Dollar	300,000	0.748	0.734	(7,672)
									<u>(4,783,920)</u>

UNREALIZED LOSS ON EQUITY SWAP CONTRACTS

Number of Units	Termination Date	Notional Amount (U.S. \$)	Variable Rate %	Unrealized Loss (\$)
Enterprise Products Partners, Variable 1 month USD – LIBOR, Counterparty: Goldman Sachs				
359,600	12/2/2019	9,475,927	2.95%	(892,545)
228,200	12/12/2019	5,986,165	3.04%	(522,891)
				<u>(1,415,436)</u>

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

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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	377,179,538	(77,946,522)	299,233,016	37.7
European Euro	144,724,886	(29,541,169)	115,183,717	14.5
British Pound	49,859,853	(18,311,505)	31,548,348	4.0
Japanese Yen	34,251,435	(9,670,856)	24,580,579	3.1
Hong Kong Dollar	19,229,418	-	19,229,418	2.4
Swedish Krona	16,989,464	-	16,989,464	2.1
Swiss Franc	25,633,970	(9,313,588)	16,320,382	2.1
Danish Krone	255,591	-	255,591	0.0
	668,124,155	(144,783,640)	523,340,515	65.9

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

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$52,334,052 or approximately 6.6% of net assets (December 31, 2017 – \$48,402,030 or

approximately 6.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 86.3% (December 31, 2017 – 92.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$68,409,101 (December 31, 2017 – \$72,239,667). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Belgium	2.3	2.0
Canada	4.7	7.0
Denmark	-	1.1
France	4.3	2.7
Germany	4.5	5.4
Hong Kong	2.3	1.9
Japan	4.2	3.6
Netherlands	5.2	2.0
Spain	1.7	2.6
Sweden	2.1	2.1
Switzerland	3.2	1.4
United Kingdom	5.7	13.1
United States	46.1	47.2

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	403,358,409	282,148,036	-	685,506,445
Unrealized gain on currency forward contracts	-	125,605	-	125,605
	403,358,409	282,273,641	-	685,632,050
Unrealized loss on currency forward contracts	-	(4,783,920)	-	(4,783,920)
Unrealized loss on swap contracts	-	(1,415,436)	-	(1,415,436)
	403,358,409	276,074,285	-	679,432,694

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

Scotia Global Dividend Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

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

Transfers between levels

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

Reconciliation of Level 3 financial instruments

Below is a summary of the movement in the Fund's Level 3 financial instruments for the periods ended.

	December 31, 2018 (\$)	December 31, 2017 (\$)
Beginning of period	-	-
Purchases	-	-
Sales/Return of Capital	-	-
Transfer into Level 3	-	-
Transfers out of Level 3	-	(246,214)
Net realized gains (losses)	-	-
Net change in unrealized gain (loss)*	-	246,214
End of period	-	-

* Net change in unrealized gain (loss) for Level 3 financial instruments held as at December 31, 2018 and December 31, 2017 was nil and \$246,214, respectively.

Offsetting of financial assets and liabilities (note 2)

Below is a summary of 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, 2018			
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	125,605	(125,605)	-	-
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	-	-	-	-
	125,605	(125,605)	-	-

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	4,783,920	(125,605)	-	4,658,315
Options contracts – OTC	-	-	-	-
Swap contracts – OTC	1,415,436	-	(2,278,060)	-
	6,199,356	(125,605)	(2,278,060)	4,658,315

	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)	-	-

Interest in Underlying Funds (note 2)

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

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

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

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

Scotia Global Growth Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,049,166,803	1,039,000,490
Cash	33,954,623	27,098,680
Subscriptions receivable	508,168	389,242
Accrued investment income and other	446,948	454,953
	<u>1,084,076,542</u>	<u>1,066,943,365</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	–	42
Redemptions payable	237,768	115,140
	<u>237,768</u>	<u>115,182</u>
Net assets attributable to holders of redeemable units	<u>1,083,838,774</u>	<u>1,066,828,183</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	210,784,153	175,042,718
Advisor Series	493,408	609,343
Series F	392,115	166,807
Series I	<u>872,169,098</u>	<u>891,009,315</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	68.02	70.50
Advisor Series	67.14	69.59
Series F	75.25	77.26
Series I	<u>77.46</u>	<u>79.67</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	18,002,832	12,372,214
Interest for distribution purposes	382,980	101,246
Net realized gain (loss) on non-derivative financial assets	90,137,927	91,303,820
Change in unrealized gain (loss) on non-derivative financial assets	(121,855,248)	131,343,144
Change in unrealized gain (loss) on derivatives	42	(72)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(13,331,467)	235,120,352
Securities lending (note 11)	124,416	176,836
Net realized and unrealized foreign currency translation gain (loss)	(34,014)	(161,134)
Other income	14,993	1,750
Total income (loss), net	<u>(13,226,072)</u>	<u>235,137,804</u>
EXPENSES		
Management fees (note 5)	3,752,922	2,748,269
Fixed administration fees and operating expenses (note 6)	907,361	727,908
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	2,043	549
Foreign withholding taxes/tax reclaims	1,924,023	1,470,038
Harmonized Sales Tax/Goods and Services Tax	487,980	364,667
Transaction costs	190,724	156,308
Total expenses	7,266,302	5,468,874
Expenses absorbed by the Manager	–	(294)
Net expenses	<u>7,266,302</u>	<u>5,468,580</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(20,492,374)</u>	<u>229,669,224</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(10,506,601)	32,344,623
Advisor Series	(19,366)	117,313
Series F	(31,067)	21,427
Series I	<u>(9,935,340)</u>	<u>197,185,861</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(3.65)	13.41
Advisor Series	(2.25)	13.36
Series F	(7.13)	14.10
Series I	<u>(0.91)</u>	<u>17.06</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	2,876,370	2,411,838
Advisor Series	8,625	8,778
Series F	4,359	1,520
Series I	<u>10,930,266</u>	<u>11,557,422</u>

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

Scotia Global 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	175,042,718	136,267,823
Advisor Series	609,343	496,369
Series F	166,807	38,259
Series I	891,009,315	773,309,124
	<u>1,066,828,183</u>	<u>910,111,575</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(10,506,601)	32,344,623
Advisor Series	(19,366)	117,313
Series F	(31,067)	21,427
Series I	(9,935,340)	197,185,861
	<u>(20,492,374)</u>	<u>229,669,224</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(11,383,992)	(7,171,142)
	<u>(11,383,992)</u>	<u>(7,171,142)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	82,955,848	28,263,754
Series F	356,963	107,445
Series I	53,113,386	16,107,922
Reinvested distributions		
Series I	11,383,992	7,171,142
Payments on redemption		
Series A	(36,707,812)	(21,833,482)
Advisor Series	(96,569)	(4,339)
Series F	(100,588)	(324)
Series I	(62,018,263)	(95,593,592)
	<u>48,886,957</u>	<u>(65,781,474)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	35,741,435	38,774,895
Advisor Series	(115,935)	112,974
Series F	225,308	128,548
Series I	(18,840,217)	117,700,191
	<u>17,010,591</u>	<u>156,716,608</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	210,784,153	175,042,718
Advisor Series	493,408	609,343
Series F	392,115	166,807
Series I	872,169,098	891,009,315
	<u>1,083,838,774</u>	<u>1,066,828,183</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(20,492,374)	229,669,224
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(90,137,927)	(91,303,820)
Change in unrealized (gain) loss on non-derivative financial assets	121,855,248	(131,343,144)
Change in unrealized (gain) loss on derivatives	(42)	72
Unrealized foreign currency translation (gain) loss	1,828	(15,045)
Other non-cash transactions	(3,139,199)	(45,503)
Purchases of non-derivative financial assets and liabilities	(216,846,104)	(146,578,929)
Proceeds from sale of non-derivative financial assets and liabilities	178,101,669	217,644,463
Accrued investment income and other	8,005	(181,242)
Accrued expenses and other payables	-	(10,224)
Net cash provided by (used in) operating activities	<u>(30,648,896)</u>	<u>77,835,852</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	136,001,445	44,257,156
Amounts paid on redemption of redeemable units	(98,494,778)	(117,409,731)
Net cash provided by (used in) financing activities	37,506,667	(73,152,575)
Unrealized foreign currency translation gain (loss)	(1,828)	15,045
Net increase (decrease) in cash	6,857,771	4,683,277
Cash (bank overdraft), beginning of period	27,098,680	22,400,358
CASH (BANK OVERDRAFT), END OF PERIOD	<u>33,954,623</u>	<u>27,098,680</u>
Interest paid ⁽¹⁾	2,043	549
Interest received, net of withholding taxes ⁽¹⁾	382,980	108,631
Dividends received, net of withholding taxes ⁽¹⁾	12,947,615	10,668,045

⁽¹⁾ Classified as operating items.

Scotia Global Growth Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 96.9%				EQUITIES (cont'd)			
Australia – 0.5%				Sweden – 2.0%			
Orica Ltd.	299,979	5,613,441	4,974,044	Atlas Copco AB, Class B	277,911	5,833,702	8,316,877
Brazil – 2.5%				Epiroc AB, Class B	470,417	5,836,428	5,747,604
B3 SA – Brasil Bolsa Balcao	763,300	4,815,314	7,183,871	Svenska Handelsbanken AB	489,819	6,635,952	7,406,253
Banco Bradesco S.A., Preference	1,499,620	15,974,065	20,355,385			18,306,082	21,470,734
		20,789,379	27,539,256	Switzerland – 1.9%			
Canada – 1.0%				Compagnie Financiere Richemont SA, Class A	97,309	7,345,555	8,531,618
Fairfax Financial Holdings Limited	17,836	9,192,321	10,719,079	Schindler Holdings AG	45,160	6,207,541	12,239,919
China – 0.4%						13,553,096	20,771,537
Meituan Dianping, Class B	501,000	5,860,579	3,844,142	Taiwan – 0.1%			
Denmark – 1.1%				HTC Corporation	810,000	3,158,554	1,260,016
AP Moller – Maersk A/S	3,954	9,656,088	6,809,116	United Kingdom – 6.8%			
Genmab A/S	21,650	5,780,192	4,841,295	Hays PLC	1,851,525	3,579,728	4,483,286
		15,436,280	11,650,411	BHP Group PLC	427,460	12,628,163	12,197,486
France – 2.5%				CRH PLC	391,836	13,538,030	14,035,468
Bureau Veritas SA	304,974	9,467,592	8,451,380	Just Eat PLC	419,251	6,279,392	4,280,335
Pemod Ricard SA	83,224	16,675,038	18,644,709	Mail.Ru Group Ltd. – GDR	125,899	5,237,783	4,018,963
		26,142,630	27,096,089	Prudential PLC	1,116,638	22,486,658	27,231,244
Germany – 3.0%				Sberbank of Russia	519,250	6,788,180	7,764,328
Deutsche Boerse AG	55,082	4,972,079	9,037,778			70,537,934	74,011,110
Infinion Technologies AG	177,633	4,218,488	4,822,689	United States – 55.7%			
SAP SE	133,937	12,927,960	18,202,993	58.com Inc.	89,325	5,646,526	6,605,429
		22,118,527	32,063,460	Advanced Micro Devices Inc.	112,356	2,103,049	2,829,284
Hong Kong – 4.4%				Albemarle Corporation	43,255	5,575,020	4,547,475
AIA Group Ltd.	2,076,600	13,956,655	23,303,028	Alibaba Group Holding Ltd.	114,159	11,961,565	21,345,248
Ping An Insurance Group Company of China Ltd.	1,424,000	18,172,438	17,056,534	Alnylam Pharmaceuticals Inc.	34,152	4,295,094	3,396,658
Sands China Ltd.	759,200	4,164,701	4,484,908	Alphabet Inc., Class C	15,986	9,110,799	22,583,158
Tsingtao Brewery Company Ltd.	418,000	2,637,723	2,305,285	Amazon.com, Inc.	19,022	8,056,422	38,973,200
		38,931,517	47,149,755	Anthem, Inc.	85,454	11,158,738	30,614,372
Ireland – 0.7%				Apache Corporation	449,733	24,651,943	16,103,960
Bank of Ireland Group PLC	1,001,651	11,663,472	7,584,898	Arthur J. Gallagher & Co.	127,527	10,782,161	12,820,893
Italy – 0.9%				Autohome Inc.	66,239	3,742,657	7,068,638
Fiat Chrysler Automobiles NV	508,990	7,494,446	10,096,645	Baidu, Inc.	43,835	6,941,713	9,483,591
Japan – 7.2%				C.H. Robinson Worldwide, Inc.	89,815	8,439,522	10,302,482
Advantest Corporation	316,500	7,580,288	8,699,782	Chegg Inc.	30,202	1,174,324	1,170,869
Cyberagent Inc.	157,500	3,882,584	8,391,252	Chipotle Mexican Grill, Inc.	9,371	5,956,331	5,519,594
Kansai Paint Co., Ltd.	138,500	3,461,098	3,626,758	Ctrip.com International Ltd. – ADR	152,560	8,585,039	5,631,409
LINE Corporation	77,600	4,478,596	3,619,373	EOG Resources, Inc.	88,580	7,020,987	10,537,816
MS & AD Insurance Group Holdings, Inc.	371,500	13,142,664	14,387,913	Facebook Inc.	68,713	6,211,155	12,287,318
Olympus Corporation	226,500	8,775,381	9,449,851	First Republic Bank	73,826	4,371,752	8,751,404
Persol Holdings Co., Ltd.	189,400	5,616,822	3,795,171	GrubHub Inc.	84,668	3,010,828	8,871,268
ROHM Company Limited	63,400	4,123,422	5,465,099	HDFC Bank Ltd. – ADR	81,031	7,751,764	11,450,321
SMC Corporation	23,100	6,395,600	9,414,405	Howard Hughes Corporation	30,224	4,598,880	4,024,754
Sumitomo Mitsui Trust Holdings Inc.	227,600	12,216,047	11,303,317	ICICI Bank Limited – ADR	1,864,495	18,449,257	26,171,296
		69,672,502	78,152,921	Interactive Brokers Group Inc., Class A	79,412	4,228,930	5,920,044
Netherlands – 0.7%				Jefferies Financial Group Inc.	262,482	7,968,563	6,215,812
Philips Lighting NV	241,803	11,794,823	7,743,980	Kirby Corporation	149,391	13,714,503	13,726,984
Norway – 1.1%				LendingTree Inc.	15,450	6,350,931	4,627,539
Schibsted ASA, Class A	181,677	8,173,891	8,273,035	Markel Corporation	8,594	5,700,024	12,169,206
Schibsted ASA, Class B	85,688	1,077,654	3,547,231	MarketAxess Holdings Inc.	37,807	8,032,967	10,897,852
		9,251,545	11,820,266	Martin Marietta Materials Inc.	51,854	9,745,072	12,157,127
Singapore – 0.7%				MasterCard, Inc., Class A	84,341	5,149,046	21,704,220
Jardine Matheson Holdings Limited	77,800	4,724,883	7,389,444	Moody's Corporation	114,044	11,367,666	21,785,783
South Africa – 3.7%				Myriad Genetics, Inc.	175,673	7,279,334	6,966,244
Naspers Limited N Shares	148,743	19,362,727	40,349,027	NetEase, Inc.	13,633	5,902,873	4,377,147
				Netflix Inc.	17,735	6,192,763	6,475,351
				Novocure Ltd.	3,527	152,814	161,079
				NOW Inc.	195,176	6,399,277	3,099,046
				ResMed Inc.	91,208	8,164,783	14,167,424
				Ritchie Bros. Auctioneers Incorporated	139,908	3,633,688	6,244,598
				Royal Caribbean Cruises Ltd.	86,571	5,350,923	11,548,232
				Ryanair Holding PLC – ADR	104,624	6,257,132	10,181,530

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

Scotia Global Growth Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
United States (cont'd)			
Seattle Genetics, Inc.	119,026	4,507,788	9,199,560
Service Corporation International	232,152	12,885,996	12,749,549
Shopify Inc.	30,570	5,995,877	5,773,472
SiteOne Landscape Supply Inc.	47,713	3,144,939	3,597,285
Spotify Technology SA	24,839	6,202,365	3,845,728
Stericycle, Inc.	99,063	12,376,327	4,958,015
Taiwan Semiconductor Manufacturing Company Ltd. – ADR	258,150	5,523,329	12,997,649
TD Ameritrade Holding Corporation	138,310	4,588,850	9,237,270
Teradyne, Inc.	141,666	2,855,221	6,064,112
Tesla Motors Inc.	23,523	3,715,668	10,678,854
Thermo Fisher Scientific, Inc.	43,770	10,759,321	13,361,827
Verisk Analytics, Inc.	66,916	7,519,234	9,953,239
Visa Inc., Class A	114,376	6,827,328	20,585,433
Webtec Corporation	72,090	7,396,906	6,908,281
Waters Corporation	45,360	4,761,085	11,672,892
Zillow Group Inc., Class A	24,293	3,443,176	1,041,536
Zillow Group Inc., Class C	170,378	7,069,849	7,339,632
		<u>410,760,074</u>	<u>603,479,989</u>
Transaction Costs		(344,667)	
TOTAL INVESTMENT PORTFOLIO		<u>794,020,145</u>	<u>1,049,166,803</u>
OTHER ASSETS, LESS LIABILITIES – 3.1%			<u>34,671,971</u>
NET ASSETS – 100.0%			<u><u>1,083,838,774</u></u>

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 investment objective is long-term capital growth. It invests primarily in a broad range of equity securities of companies around the world.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	622,891,258	–	622,891,258	57.5
European Euro	84,585,074	–	84,585,074	7.8
Japanese Yen	78,152,920	–	78,152,920	7.2
British Pound	62,227,819	–	62,227,819	5.7
Hong Kong Dollar	50,993,897	–	50,993,897	4.7
South African Rand	40,349,027	–	40,349,027	3.7
Brazilian Real	27,878,111	–	27,878,111	2.6
Swedish Krona	21,470,733	–	21,470,733	2.0
Swiss Franc	20,771,536	–	20,771,536	1.9
Norwegian Krone	11,820,266	–	11,820,266	1.1
Danish Krone	11,650,410	–	11,650,410	1.1
Australian Dollar	4,974,044	–	4,974,044	0.5
Taiwan Dollar	1,260,016	–	1,260,016	0.1
	1,039,025,111	–	1,039,025,111	95.9

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	627,980,732	–	627,980,732	58.9
European Euro	93,365,919	–	93,365,919	8.8
Japanese Yen	78,523,145	–	78,523,145	7.4
British Pound	57,411,391	–	57,411,391	5.4
South African Rand	48,741,404	–	48,741,404	4.6
Hong Kong Dollar	29,855,740	–	29,855,740	2.8
Swiss Franc	28,871,942	–	28,871,942	2.7
Swedish Krona	20,879,872	–	20,879,872	2.0
Danish Krone	19,534,280	–	19,534,280	1.8
Brazilian Real	17,926,730	–	17,926,730	1.7
Norwegian Krone	8,763,351	–	8,763,351	0.8
Taiwan Dollar	3,344,738	–	3,344,738	0.3
	1,035,199,244	–	1,035,199,244	97.2

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$103,902,511 or approximately 9.6% of net assets (December 31, 2017 – \$103,519,924 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 96.9% (December 31, 2017 – 97.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$104,916,680 (December 31, 2017 – \$103,900,049). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Australia	0.5	–
Brazil	2.5	1.6
Canada	1.0	0.5
China	0.4	–
Denmark	1.1	1.8
France	2.5	2.0
Germany	3.0	3.7
Hong Kong	4.4	2.8
Ireland	0.7	1.0
Italy	0.9	1.2
Japan	7.2	7.4
Netherlands	0.7	0.5
Norway	1.1	0.8
Singapore	0.7	0.5
South Africa	3.7	4.6
Spain	–	0.4
Sweden	2.0	2.0
Switzerland	1.9	2.7
Taiwan	0.1	0.3
United Kingdom	6.8	8.1
United States	55.7	55.6

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	614,199,068	434,967,735	–	1,049,166,803
	614,199,068	434,967,735	–	1,049,166,803

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	598,560,434	440,440,056	–	1,039,000,490
	598,560,434	440,440,056	–	1,039,000,490
Unrealized loss on currency spot contracts	–	(42)	–	(42)
	598,560,434	440,440,014	–	1,039,000,448

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Global Small Cap Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	117,030,969	117,832,821
Derivatives	31,396	221,993
Cash	2,286,064	3,424,547
Subscriptions receivable	452,500	985
Accrued investment income and other	46,589	8,884
	<u>119,847,518</u>	<u>121,489,230</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	1,731,974	–
Redemptions payable	6,106	–
	<u>1,738,080</u>	<u>–</u>
Net assets attributable to holders of redeemable units	<u>118,109,438</u>	<u>121,489,230</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	4,075,357	4,640,383
Series F	1,419	1,558
Series I	<u>114,032,662</u>	<u>116,847,289</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.31	11.40
Series F	10.54	11.58
Series I	<u>11.86</u>	<u>12.99</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,396,918	1,496,930
Interest for distribution purposes	10,456	19,712
Net realized gain (loss) on non-derivative financial assets	9,514,683	9,330,226
Change in unrealized gain (loss) on non-derivative financial assets	(14,352,912)	4,293,916
Net realized gain (loss) on derivatives	(3,897,633)	1,888,777
Change in unrealized gain (loss) on derivatives	<u>(1,922,571)</u>	<u>413,976</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(9,251,059)	17,443,537
Securities lending (note 11)	55,762	20,235
Net realized and unrealized foreign currency translation gain (loss)	98,588	(269,894)
Other income	28	160
Total income (loss), net	<u>(9,096,681)</u>	<u>17,194,038</u>
EXPENSES		
Management fees (note 5)	84,263	81,552
Fixed administration fees (note 6)	120,823	105,555
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	10,695	7,518
Foreign withholding taxes/tax reclaims	144,066	205,281
Harmonized Sales Tax/Goods and Services Tax	21,246	19,627
Transaction costs	<u>334,079</u>	<u>349,933</u>
Total expenses	<u>716,421</u>	<u>770,601</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(9,813,102)</u>	<u>16,423,437</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(451,661)	583,732
Series F	(139)	180
Series I	<u>(9,361,302)</u>	<u>15,839,525</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.12)	1.36
Series F	(1.03)	1.34
Series I	<u>(1.03)</u>	<u>1.78</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	401,627	430,708
Series F	135	134
Series I	<u>9,085,577</u>	<u>8,885,364</u>

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

Scotia Global Small Cap Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	4,640,383	4,484,078
Series F	1,558	529
Series I	116,847,289	102,469,764
	<u>121,489,230</u>	<u>106,954,371</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(451,661)	583,732
Series F	(139)	180
Series I	(9,361,302)	15,839,525
	<u>(9,813,102)</u>	<u>16,423,437</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(1,013,349)	(1,090,649)
	<u>(1,013,349)</u>	<u>(1,090,649)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	1,007,822	716,233
Series F	-	849
Series I	9,959,175	3,005,600
Reinvested distributions		
Series I	1,013,349	1,090,649
Payments on redemption		
Series A	(1,121,187)	(1,143,660)
Series I	(3,412,500)	(4,467,600)
	<u>7,446,659</u>	<u>(797,929)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(565,026)	156,305
Series F	(139)	1,029
Series I	(2,814,627)	14,377,525
	<u>(3,379,792)</u>	<u>14,534,859</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	4,075,357	4,640,383
Series F	1,419	1,558
Series I	114,032,662	116,847,289
	<u>118,109,438</u>	<u>121,489,230</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(9,813,102)	16,423,437
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,514,683)	(9,330,226)
Change in unrealized (gain) loss on non-derivative financial assets	14,352,912	(4,293,916)
Change in unrealized (gain) loss on derivatives	1,922,571	(413,976)
Unrealized foreign currency translation (gain) loss	9,815	(15,708)
Purchases of non-derivative financial assets and liabilities	(170,351,319)	(186,857,637)
Proceeds from sale of non-derivative financial assets and liabilities	166,314,943	185,974,289
Accrued investment income and other	(37,705)	9,310
Accrued expenses and other payables	-	(619)
Net cash provided by (used in) operating activities	<u>(7,116,568)</u>	<u>1,494,954</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	10,515,482	3,726,898
Amounts paid on redemption of redeemable units	(4,527,582)	(5,613,523)
Net cash provided by (used in) financing activities	5,987,900	(1,886,625)
Unrealized foreign currency translation gain (loss)	(9,815)	15,708
Net increase (decrease) in cash	(1,128,668)	(391,671)
Cash (bank overdraft), beginning of period	3,424,547	3,800,510
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,286,064</u>	<u>3,424,547</u>
Interest paid ⁽¹⁾	10,695	7,518
Interest received, net of withholding taxes ⁽¹⁾	10,456	20,449
Dividends received, net of withholding taxes ⁽¹⁾	1,215,148	1,300,225

⁽¹⁾ Classified as operating items.

Scotia Global Small Cap Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.0%				EQUITIES (cont'd)			
France – 3.1%				United States (cont'd)			
Worldline SA	56,000	3,315,331	3,691,090	GDS Holdings Ltd. – ADR	89,100	3,078,705	2,806,404
Germany – 2.3%				HealthEquity Inc.	36,600	3,381,167	2,978,106
KION Group AG	39,000	3,122,336	2,700,720	Hill-Rom Holdings Inc.	38,600	3,800,687	4,662,561
Japan – 1.8%				InterXion Holding NV	53,600	2,702,020	3,959,972
Harmonic Drive Systems Inc.	56,600	2,745,198	2,142,885	iShares MSCI Emerging Markets ETF	47,000	2,623,428	2,504,256
Norway – 1.6%				iShares Nasdaq Biotechnology ETF	22,200	3,072,091	2,920,208
Orkla ASA	180,800	1,861,046	1,939,990	KeyCorp.	126,400	3,079,840	2,548,415
Spain – 2.4%				Landstar System Inc.	28,800	4,106,917	3,758,520
Viscofan S.A.	37,600	2,697,933	2,827,950	Live Nation Entertainment Inc.	52,300	2,863,546	3,513,634
Sweden – 2.6%				PriceSmart Inc.	17,700	2,112,844	1,426,952
Hexagon AB	48,200	3,534,418	3,036,675	PTC Inc.	26,300	2,104,782	2,974,123
Switzerland – 2.4%				Shake Shack Inc., Class A	28,000	2,120,521	1,734,817
Julius Baer Group Ltd.	59,100	4,187,472	2,881,070	Square Inc.	30,600	2,780,138	2,341,292
United Kingdom – 9.3%				Teladoc Health Inc.	55,500	4,557,744	3,752,844
InterContinental Hotels Group PLC	56,600	3,888,461	4,157,700	Teleflex Inc.	10,800	3,787,772	3,808,021
Sabre Insurance Group PLC	661,500	3,225,477	3,139,362	Terex Corporation	52,200	2,227,693	1,963,161
Spirax-Sarco Engineering PLC	34,400	3,569,230	3,738,381	Veeva Systems Inc., Class A	25,700	3,149,062	3,131,342
		10,683,168	11,035,443	Wayfair Inc.	28,700	3,745,997	3,526,622
United States – 73.5%				Worldpay Inc.	25,100	1,861,525	2,616,894
Advanced Micro Devices Inc.	179,900	4,074,610	4,530,141	Xilinx Inc.	2,500	217,754	290,453
Allegion Public Limited Company	10,400	1,102,116	1,130,823	Zayo Group Holdings Inc.	122,700	5,335,555	3,822,868
Blackline Inc.	54,900	2,656,972	3,066,725	Zendesk Inc.	14,300	944,992	1,138,608
Ceridian HCM Holding Inc.	59,000	2,967,331	2,775,836			87,749,920	86,775,146
Dollar Tree Inc.	32,600	3,732,039	4,016,522	Transaction Costs		(108,241)	
Expedia, Inc.	19,000	2,931,987	2,919,668	TOTAL INVESTMENT PORTFOLIO		119,788,581	117,030,969
First Republic Bank	21,300	2,419,403	2,524,922	Unrealized Gain (Loss) on Derivatives – (1.4%)			(1,700,578)
Flowsense Corporation	70,000	4,210,682	3,630,436	OTHER ASSETS, LESS LIABILITIES – 2.4%			2,779,047
				NET ASSETS – 100.0%			118,109,438

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. 16, 2019	US Dollar	600,000	Canadian Dollar	802,430	1.337	1.364	15,959
Bank of Montreal	A-1	Jan. 16, 2019	US Dollar	4,700,000	Canadian Dollar	6,405,790	1.363	1.364	4,917
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Japanese Yen	7,000,000	Canadian Dollar	82,946	0.012	0.013	4,536
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Japanese Yen	10,000,000	Canadian Dollar	122,246	0.012	0.013	2,742
Bank of Montreal	A-1	Mar. 15, 2019	Japanese Yen	6,000,000	Canadian Dollar	73,386	0.012	0.013	1,608
Bank of Montreal	A-1	Mar. 15, 2019	Japanese Yen	15,200,000	Canadian Dollar	188,360	0.012	0.013	1,634
									31,396

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

Scotia Global Small Cap Fund (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 (\$)
Royal Bank of Canada	A-1+	Jan. 16, 2019	Canadian Dollar	520,468	US Dollar	400,000	0.769	0.733	(25,123)
Bank of Montreal	A-1	Jan. 16, 2019	Canadian Dollar	10,291,330	US Dollar	7,900,000	0.768	0.733	(484,091)
Toronto-Dominion Bank, The	A-1+	Jan. 16, 2019	Canadian Dollar	6,247,728	US Dollar	4,800,000	0.768	0.733	(299,363)
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	Canadian Dollar	393,476	US Dollar	300,000	0.762	0.734	(15,506)
Toronto-Dominion Bank, The	A-1+	Feb. 20, 2019	Canadian Dollar	4,855,695	US Dollar	3,700,000	0.762	0.734	(188,407)
Bank of Montreal	A-1	Feb. 20, 2019	Canadian Dollar	6,963,670	US Dollar	5,300,000	0.761	0.734	(261,665)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	331,468	Japanese Yen	27,840,000	83.99	79.952	(16,743)
Royal Bank of Canada	A-1+	Mar. 15, 2019	Canadian Dollar	260,525	Japanese Yen	21,840,000	83.831	79.952	(12,641)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	1,147,254	Japanese Yen	96,180,000	83.835	79.952	(55,725)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	678,014	Japanese Yen	56,940,000	83.981	79.952	(34,168)
Bank of Montreal	A-1	Mar. 15, 2019	Canadian Dollar	12,446,283	US Dollar	9,300,000	0.747	0.734	(226,089)
Bank of Nova Scotia, The	A-1	Mar. 15, 2019	Canadian Dollar	2,674,620	US Dollar	2,000,000	0.748	0.734	(50,621)
Toronto-Dominion Bank, The	A-1+	Mar. 15, 2019	Canadian Dollar	2,676,060	US Dollar	2,000,000	0.747	0.734	(49,181)
Canadian Imperial Bank of Commerce	A-1	Mar. 15, 2019	Canadian Dollar	534,954	US Dollar	400,000	0.748	0.734	(10,094)
State Street Bank & Trust Company	A-1+	Mar. 15, 2019	Canadian Dollar	133,705	US Dollar	100,000	0.748	0.734	(2,557)
									<u>(1,731,974)</u>

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 investment objective is to achieve long-term capital growth. It invests primarily in equity securities of smaller companies located around the world.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. 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, 2018				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	87,834,148	(42,141,791)	45,692,357	38.7
British Pound	11,230,274	-	11,230,274	9.5
European Euro	9,328,149	-	9,328,149	7.9
Swedish Krona	3,036,675	-	3,036,675	2.6
Swiss Franc	2,972,736	-	2,972,736	2.5
Norwegian Krone	2,008,104	-	2,008,104	1.7
Japanese Yen	2,236,046	(2,071,525)	164,521	0.1
Danish Krone	20,081	-	20,081	0.0
	118,666,213	(44,213,316)	74,452,897	63.0

December 31, 2017				
Currency	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	80,986,370	-	80,986,370	66.7
European Euro	18,025,457	-	18,025,457	14.8
British Pound	4,061,405	-	4,061,405	3.3
Swiss Franc	3,379,269	-	3,379,269	2.8
Norwegian Krone	2,794,645	-	2,794,645	2.3
Hong Kong Dollar	1,544,799	-	1,544,799	1.3
Japanese Yen	9,024,184	(8,426,984)	597,200	0.5
	119,816,129	(8,426,984)	111,389,145	91.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$7,445,290 or approximately 6.3% of net assets (December 31, 2017 – \$11,138,915 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.1% (December 31, 2017 – 97.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$11,703,097 (December 31, 2017 – \$11,783,282). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
France	3.1	8.3
Germany	2.3	3.6
Hong Kong	-	1.3
Japan	1.8	7.4
Norway	1.6	2.1
Spain	2.4	2.1
Sweden	2.6	-
Switzerland	2.4	2.8
United Kingdom	9.3	3.3
United States	73.5	66.1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Equities	81,350,682	30,255,823	-	111,606,505
Underlying funds	5,424,464	-	-	5,424,464
Unrealized gain on currency forward contracts	-	31,396	-	31,396
	86,775,146	30,287,219	-	117,062,365
Unrealized loss on currency forward contracts	-	(1,731,974)	-	(1,731,974)
	86,775,146	28,555,245	-	115,330,391

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

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of 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, 2018				
Financial assets – by type	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	31,396	(31,396)	–	–
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	31,396	(31,396)	–	–

Financial liabilities – by type	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	1,731,974	(31,396)	–	1,700,578
Options contracts – OTC	–	–	–	–
Swap contracts – OTC	–	–	–	–
	1,731,974	(31,396)	–	1,700,578

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	–	–	–	–
	–	–	–	–

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI Emerging Markets ETF	2,504,256	0.0
iShares Nasdaq Biotechnology ETF	2,920,208	0.0
	5,424,464	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares MSCI Europe Financials ETF	2,500,093	0.1
iShares Nasdaq Biotechnology ETF	3,459,593	0.0
	5,959,686	

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

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

Scotia Global Equity Fund

(formerly, Scotia Global Opportunities Fund)

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	272,779,486	272,724,824
Derivatives	–	778
Cash	29,486,059	17,724,588
Subscriptions receivable	8,386	242,827
Accrued investment income and other	50,664	106,262
	<u>302,324,595</u>	<u>290,799,279</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	78	–
Payable for securities purchased	–	963,413
Redemptions payable	4,142	7,239
	<u>4,220</u>	<u>970,652</u>
Net assets attributable to holders of redeemable units	<u>302,320,375</u>	<u>289,828,627</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	16,673,071	15,523,594
Advisor Series	56,867	254,073
Series F	30,503	29,655
Series I	285,559,934	274,021,305
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.05	13.35
Advisor Series	12.76	13.02
Series F	13.33	13.52
Series I	14.31	14.61

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	6,551,052	5,855,745
Interest for distribution purposes	209,917	131,712
Net realized gain (loss) on non-derivative financial assets	3,141,362	(6,177,150)
Change in unrealized gain (loss) on non-derivative financial assets	(10,061,310)	41,479,863
Change in unrealized gain (loss) on derivatives	(855)	6,419
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(159,834)	41,296,589
Securities lending (note 11)	21,238	19,438
Net realized and unrealized foreign currency translation gain (loss)	644,620	(144,259)
Other income	638	203
Total income (loss), net	<u>506,662</u>	<u>41,171,971</u>
EXPENSES		
Management fees (note 5)	304,188	256,766
Fixed administration fees and operating expenses (note 6)	235,471	204,087
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	28,114	4,074
Foreign withholding taxes/tax reclaims	775,710	580,990
Harmonized Sales Tax/Goods and Services Tax	55,567	47,873
Transaction costs	164,151	150,764
Total expenses	1,564,450	1,245,689
Expenses absorbed by the Manager	–	(120)
Net expenses	<u>1,564,450</u>	<u>1,245,569</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,057,788)</u>	<u>39,926,402</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(436,024)	1,792,319
Advisor Series	(223)	37,500
Series F	(1,370)	923
Series I	(620,171)	38,095,660
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.35)	1.58
Advisor Series	(0.01)	1.65
Series F	(0.84)	1.97
Series I	(0.03)	2.07
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	1,248,441	1,136,858
Advisor Series	17,523	22,754
Series F	1,625	469
Series I	19,245,913	18,432,305

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

Scotia Global Equity Fund (Continued)

(formerly, Scotia Global Opportunities Fund)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	15,523,594	13,000,186
Advisor Series	254,073	303,882
Series F	29,655	502
Series I	274,021,305	234,219,495
	<u>289,828,627</u>	<u>247,524,065</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(436,024)	1,792,319
Advisor Series	(223)	37,500
Series F	(1,370)	923
Series I	(620,171)	38,095,660
	<u>(1,057,788)</u>	<u>39,926,402</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(5,418,996)	(4,906,947)
	<u>(5,418,996)</u>	<u>(4,906,947)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	4,457,047	3,002,783
Series F	32,202	28,230
Series I	16,072,300	8,030,100
Reinvested distributions		
Series I	5,418,996	4,906,947
Payments on redemption		
Series A	(2,871,546)	(2,271,694)
Advisor Series	(196,983)	(87,309)
Series F	(29,984)	-
Series I	(3,913,500)	(6,323,950)
	<u>18,968,532</u>	<u>7,285,107</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	1,149,477	2,523,408
Advisor Series	(197,206)	(49,809)
Series F	848	29,153
Series I	11,538,629	39,801,810
	<u>12,491,748</u>	<u>42,304,562</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	16,673,071	15,523,594
Advisor Series	56,867	254,073
Series F	30,503	29,655
Series I	285,559,934	274,021,305
	<u>302,320,375</u>	<u>289,828,627</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,057,788)	39,926,402
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,141,362)	6,177,150
Change in unrealized (gain) loss on non-derivative financial assets	10,061,310	(41,479,863)
Change in unrealized (gain) loss on derivatives	855	(6,419)
Unrealized foreign currency translation (gain) loss	96,851	(96,092)
Other non-cash transactions	-	(18,704)
Purchases of non-derivative financial assets and liabilities	(73,198,511)	(72,858,378)
Proceeds from sale of non-derivative financial assets and liabilities	65,260,490	53,606,189
Accrued investment income and other	55,598	23,653
Accrued expenses and other payables	-	(1,488)
Net cash provided by (used in) operating activities	<u>(1,922,557)</u>	<u>(14,727,550)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	20,763,787	10,812,635
Amounts paid on redemption of redeemable units	(6,982,908)	(8,652,870)
Net cash provided by (used in) financing activities	13,780,879	2,159,765
Unrealized foreign currency translation gain (loss)	(96,851)	96,092
Net increase (decrease) in cash	11,858,322	(12,567,785)
Cash (bank overdraft), beginning of period	17,724,588	30,196,281
CASH (BANK OVERDRAFT), END OF PERIOD	<u>29,486,059</u>	<u>17,724,588</u>
Interest paid ⁽¹⁾	28,114	4,074
Interest received, net of withholding taxes ⁽¹⁾	209,917	140,775
Dividends received, net of withholding taxes ⁽¹⁾	5,830,940	5,270,643

⁽¹⁾ Classified as operating items.

Scotia Global Equity Fund (Continued)

(formerly, Scotia Global Opportunities Fund)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 90.1%				EQUITIES (cont'd)			
Brazil – 1.1%				United States – 35.1%			
Odontoprev S.A.	700,300	2,862,912	3,387,319	3M Company	31,300	6,645,744	8,135,404
Denmark – 1.9%				Alphabet Inc., Class A	5,740	4,624,573	8,182,013
Topdanmark A/S	88,800	2,993,520	5,645,532	Baidu, Inc.	20,100	5,534,360	4,348,584
Finland – 1.7%				Booking Holdings Inc.	3,200	7,915,089	7,518,612
Nokian Renkaat Oyj	124,092	4,307,500	5,217,396	Check Point Software Technologies Ltd.	34,600	3,445,620	4,844,887
France – 4.3%				Cognizant Technology Solutions Corporation	114,700	7,644,057	9,932,280
LVMH Moët Hennessy Louis Vuitton SA	17,100	3,944,352	6,855,770	Costco Wholesale Corporation	17,400	2,541,141	4,835,153
Schneider Electric SA	67,000	6,187,773	6,221,403	Microsoft Corporation	81,600	4,686,135	11,305,877
		10,132,125	13,077,173	NetEase, Inc.	14,000	3,974,016	4,494,980
Germany – 1.4%				Nielsen Holdings PLC	132,900	8,565,492	4,229,493
Fresenius SE & Co. KGaA	64,050	6,145,525	4,224,207	Oracle Corporation	141,100	7,569,660	8,690,273
Hong Kong – 4.2%				Progressive Corporation, The	60,700	2,267,530	4,995,404
Technic Industries Co., Ltd.	1,381,500	11,156,777	9,933,371	Ross Stores, Inc.	88,300	6,846,698	10,021,498
TravelSky Technology Ltd.	825,900	2,667,872	2,867,583	Visa Inc., Class A	52,340	4,771,096	9,420,172
		13,824,649	12,800,954	Walmart Inc.	41,400	4,429,774	5,260,558
Japan – 4.8%						81,460,985	106,215,188
Aeon Delight Co., Ltd.	101,300	3,150,555	4,594,517	Transaction Costs		(267,746)	
Nexon Co., Ltd.	567,400	9,908,914	9,889,683	TOTAL INVESTMENT PORTFOLIO		226,245,341	272,779,486
		13,059,469	14,484,200	Unrealized Gain (Loss) on Derivatives – 0.0%			(78)
Mexico – 1.4%				OTHER ASSETS, LESS LIABILITIES – 9.9%			29,540,967
Grupo Mexico S.A.B. de C.V.	1,475,874	5,881,416	4,147,139	NET ASSETS – 100.0%			302,320,375
Netherlands – 8.1%							
Koninklijke Philips NV	197,500	7,923,075	9,496,890				
Unilever NV	92,700	6,868,992	6,872,266				
Wolters Kluwer NV	102,410	5,710,549	8,251,391				
		20,502,616	24,620,547				
Norway – 2.5%							
Gjensidige Forsikring ASA	192,600	3,885,335	4,093,268				
TGS Nopce Geophysical Co. ASA	100,904	2,698,812	3,338,677				
		6,584,147	7,431,945				
Singapore – 4.6%							
DBS Group Holdings Limited	212,800	3,376,284	5,015,855				
Mapletree Logistics Trust	3,227,290	3,155,470	4,065,277				
United Overseas Bank Ltd.	201,900	3,770,459	4,936,953				
		10,302,213	14,018,085				
South Africa – 1.3%							
Naspers Limited N Shares	14,200	5,003,786	3,851,988				
South Korea – 3.0%							
Samsung Electronics Co., Ltd.	189,700	6,114,925	8,978,876				
Sweden – 1.8%							
Evolution Gaming Group AB	53,200	4,430,158	4,183,104				
Hexagon AB	22,300	1,359,515	1,404,935				
		5,789,673	5,588,039				
Switzerland – 4.1%							
Nestlé S.A.	74,370	6,988,735	8,248,600				
SGS SA	1,390	3,381,361	4,272,324				
		10,370,096	12,520,924				
United Kingdom – 8.8%							
Admiral Group PLC	131,400	4,304,156	4,662,143				
Diageo PLC	205,000	7,351,445	9,945,259				
Intertek Group PLC	63,500	2,735,529	5,276,549				
RELX PLC	238,500	6,786,400	6,686,023				
		21,177,530	26,569,974				

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

Scotia Global Equity Fund (Continued) (formerly, Scotia Global Opportunities Fund)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	109,668,556	–	109,668,556	36.3
European Euro	50,006,083	–	50,006,083	16.5
British Pound	28,524,361	–	28,524,361	9.4
Singapore Dollar	15,691,137	–	15,691,137	5.2
Japanese Yen	15,431,671	–	15,431,671	5.1
Hong Kong Dollar	14,062,727	–	14,062,727	4.7
Swiss Franc	12,771,188	–	12,771,188	4.2
South Korean Won	9,153,007	–	9,153,007	3.0
Norwegian Krone	9,093,109	–	9,093,109	3.0
Danish Krone	5,902,301	–	5,902,301	2.0
Swedish Krona	5,588,038	–	5,588,038	1.8
Mexican Peso	4,259,899	–	4,259,899	1.4
South African Rand	3,880,148	–	3,880,148	1.3
Brazilian Real	3,413,021	–	3,413,021	1.1
Australian Dollar	282,264	–	282,264	0.1
Israel Shekel	11,735	–	11,735	0.0
	287,739,245	–	287,739,245	95.1

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	93,044,792	–	93,044,792	32.1
European Euro	59,547,524	–	59,547,524	20.5
British Pound	38,421,687	–	38,421,687	13.3
Japanese Yen	19,147,348	–	19,147,348	6.6
Norwegian Krone	17,223,201	–	17,223,201	5.9
Singapore Dollar	14,425,923	–	14,425,923	5.0
Swiss Franc	12,580,545	–	12,580,545	4.3
South Korean Won	9,585,941	–	9,585,941	3.3
Australian Dollar	7,654,237	–	7,654,237	2.6
Danish Krone	4,811,196	–	4,811,196	1.7
Hong Kong Dollar	3,531,386	–	3,531,386	1.2
Swedish Krona	1,403,464	–	1,403,464	0.5
Brazilian Real	861,984	–	861,984	0.3
South African Rand	30,092	–	30,092	0.0
Israel Shekel	11,611	–	11,611	0.0
	282,280,931	–	282,280,931	97.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$28,773,925 or approximately 9.5% of net assets (December 31, 2017 – \$28,228,093 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 90.1% (December 31, 2017 – 94.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$27,277,949 (December 31, 2017 – \$27,272,482). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Scotia Global Equity Fund (Continued) (formerly, Scotia Global Opportunities Fund)

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. 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, 2018	December 31, 2017
Australia	–	2.6
Brazil	1.1	0.3
Denmark	1.9	1.7
Finland	1.7	3.8
France	4.3	4.6
Germany	1.4	3.3
Hong Kong	4.2	1.0
Japan	4.8	6.3
Mexico	1.4	–
Netherlands	8.1	8.2
Norway	2.5	5.5
Singapore	4.6	4.6
South Africa	1.3	–
South Korea	3.0	3.3
Sweden	1.8	0.5
Switzerland	4.1	4.3
United Kingdom	8.8	12.7
United States	35.1	31.4

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	110,362,327	162,417,159	–	272,779,486
	110,362,327	162,417,159	–	272,779,486
Unrealized loss on currency spot contracts	–	(78)	–	(78)
	110,362,327	162,417,081	–	272,779,408

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	90,594,174	182,130,650	–	272,724,824
Unrealized gain on currency spot contracts	–	778	–	778
	90,594,174	182,131,428	–	272,725,602

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Private Options Income Pool

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	795,710,488	725,210,927
Derivatives	11,887,647	20,340,956
Cash	–	133,051,085
Cash collateral deposited on derivatives	51,197,263	8,035,960
Receivable for securities sold	23,178,137	1,856,331
Subscriptions receivable	429,144	536,986
Accrued investment income and other	511,888	289,136
	<u>882,914,567</u>	<u>889,321,381</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	39,075,156	4,574,150
Bank overdraft	39,115,427	–
Payable for securities purchased	47,585,391	4,922,165
Redemptions payable	856,439	1,863,675
Accrued expenses	–	5
Distributions payable	–	1,376
	<u>126,632,413</u>	<u>11,361,371</u>
Net assets attributable to holders of redeemable units	<u>756,282,154</u>	<u>877,960,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series I	427,946,936	577,689,643
Series K	27,923,768	25,073,596
Series M	300,411,450	275,196,771
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series I	9.32	10.37
Series K	8.88	9.88
Series M	8.78	9.76

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,491,026	6,264,009
Interest for distribution purposes	7,093,013	3,652,073
Net realized gain (loss) on non-derivative financial assets	25,366,941	12,045,292
Change in unrealized gain (loss) on non-derivative financial assets	(53,930,215)	8,428,355
Net realized gain (loss) on derivatives	30,783,580	65,037,454
Change in unrealized gain (loss) on derivatives	(39,512,127)	20,442,518
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(22,707,782)	115,869,701
Securities lending (note 11)	1,025	–
Net realized and unrealized foreign currency translation gain (loss)	17,426,819	(30,836,075)
Total income (loss), net	<u>(5,279,938)</u>	<u>85,033,626</u>
EXPENSES		
Management fees (note 5)	304,172	245,894
Fixed administration fees (note 6)	760,915	686,557
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	41,559	2,684
Foreign withholding taxes/tax reclaims	1,043,029	774,791
Harmonized Sales Tax/Goods and Services Tax	107,854	95,992
Transaction costs	3,696,921	4,168,153
Total expenses	<u>5,955,699</u>	<u>5,975,206</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(11,235,637)</u>	<u>79,058,420</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series I	(4,456,436)	54,603,977
Series K	(567,015)	1,454,240
Series M	(6,212,186)	23,000,203
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series I	(0.09)	1.00
Series K	(0.20)	0.95
Series M	(0.20)	0.91
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series I	52,293,598	54,845,524
Series K	2,774,936	1,536,047
Series M	31,000,366	25,331,277

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

Scotia Private Options Income Pool (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series I	577,689,643	575,786,743
Series K	25,073,596	4,307,394
Series M	275,196,771	215,627,871
	<u>877,960,010</u>	<u>795,722,008</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series I	(4,456,436)	54,603,977
Series K	(567,015)	1,454,240
Series M	(6,212,186)	23,000,203
	<u>(11,235,637)</u>	<u>79,058,420</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series I	(7,124,278)	(5,255,719)
Series K	(407,006)	(201,570)
Series M	(4,607,407)	(2,160,075)
From net realized gains on investments		
Series I	(30,461,851)	(34,012,041)
Series K	(1,939,557)	(1,436,021)
Series M	(21,246,403)	(16,097,348)
	<u>(65,786,502)</u>	<u>(59,162,774)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series I	35,556,813	39,082,088
Series K	11,261,614	21,372,062
Series M	84,241,751	72,060,305
Reinvested distributions		
Series I	35,051,952	37,023,480
Series K	2,346,563	1,636,183
Series M	25,451,426	17,964,947
Payments on redemption		
Series I	(178,308,907)	(89,538,885)
Series K	(7,844,427)	(2,058,692)
Series M	(52,412,502)	(35,199,132)
	<u>(44,655,717)</u>	<u>62,342,356</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series I	(149,742,707)	1,902,900
Series K	2,850,172	20,766,202
Series M	25,214,679	59,568,900
	<u>(121,677,856)</u>	<u>82,238,002</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series I	427,946,936	577,689,643
Series K	27,923,768	25,073,596
Series M	300,411,450	275,196,771
	<u>756,282,154</u>	<u>877,960,010</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(11,235,637)	79,058,420
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(25,366,941)	(12,045,292)
Change in unrealized (gain) loss on non-derivative financial assets	53,930,215	(8,428,355)
Net realized (gain) loss on derivatives	(48,632,551)	(40,111,382)
Change in unrealized (gain) loss on derivatives	39,512,127	(20,442,518)
Unrealized foreign currency translation (gain) loss	721,342	(2,089,989)
Other non-cash transactions	(122,682)	(260,639)
Purchases of non-derivative financial assets and liabilities	(2,513,846,168)	(2,230,851,968)
Proceeds from sale of non-derivative financial assets and liabilities	2,488,322,173	1,971,849,180
Cash collateral deposited on derivatives	(43,161,303)	(8,035,960)
Accrued investment income and other	(222,752)	(82,435)
Accrued expenses and other payables	(5)	(2,543)
Net cash provided by (used in) operating activities	<u>(60,102,182)</u>	<u>(271,443,481)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	131,035,299	132,278,472
Amounts paid on redemption of redeemable units	(239,440,350)	(124,996,120)
Distributions to unitholders of redeemable units	(2,937,937)	(2,536,788)
Net cash provided by (used in) financing activities	<u>(111,342,988)</u>	<u>4,745,564</u>
Unrealized foreign currency translation gain (loss)	(721,342)	2,089,989
Net increase (decrease) in cash	(171,445,170)	(266,697,917)
Cash (bank overdraft), beginning of period	133,051,085	397,659,013
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(39,115,427)</u>	<u>133,051,085</u>
Interest paid ⁽¹⁾	41,559	2,684
Interest received, net of withholding taxes ⁽¹⁾	6,884,820	3,706,668
Dividends received, net of withholding taxes ⁽¹⁾	6,310,755	5,091,549

⁽¹⁾ Classified as operating items.

Scotia Private Options Income Pool (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares/ Number of Contracts/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares/ Number of Contracts	Average Cost (\$)	Carrying Value (\$)
LONG POSITIONS – 47.3%				LONG POSITIONS (cont'd)			
Communication Services – 7.2%				Financials (cont'd)			
Activision Blizzard Inc.	174,000	14,506,676	11,053,607	Arthur J. Gallagher & Co.	5,924	587,076	595,568
Alphabet Inc., Class A	2,320	3,264,676	3,307,014	Bank of America Corporation	235,281	8,799,393	7,908,174
AT&T Inc.	172,401	7,106,586	6,711,850	Capital One Financial Corporation	32,000	3,913,761	3,299,613
Comcast Corporation, Class A	150,000	7,287,106	6,967,178	Citigroup Inc.	143,438	12,141,762	10,186,313
Electronic Arts Inc.	85,000	11,745,855	9,149,547	Hartford Financial Services Group Inc., The	62,500	3,932,118	3,789,661
Facebook Inc.	84,810	17,707,643	15,165,798	Jefferies Financial Group Inc.	100,000	2,799,226	2,368,091
Netflix Inc.	1,305	472,767	476,478	JPMorgan Chase & Co.	37,589	5,130,317	5,005,509
Omnicom Group Inc.	5,316	526,843	531,107	KeyCorp.	225,000	5,745,316	4,536,340
Verizon Communications Inc.	7,743	575,684	593,812	Marsh & McLennan Companies, Inc.	5,426	591,934	590,281
Walt Disney Company, The	4,004	596,585	598,896	Morgan Stanley	135,000	8,777,087	7,301,727
		<u>63,790,421</u>	<u>54,555,287</u>	NASDAQ OMX Group, Inc., The	1,930	213,503	214,752
				Prudential Financial, Inc.	35,000	4,730,111	3,893,504
Consumer Discretionary – 4.3%				S&P Global Inc.	17,500	4,499,454	4,056,788
Amazon.com, Inc.	4,726	8,737,516	9,682,859	State Street Corporation	40,000	4,974,895	3,441,371
Caesars Entertainment Corporation	300,000	3,497,790	2,778,687	SVB Financial Group	6,000	2,287,913	1,554,428
eBay Inc.	95,000	4,398,318	3,637,598	Wells Fargo & Company	82,500	5,374,340	5,185,791
Garmin Ltd.	6,812	586,872	588,389	Willis Towers Watson PLC	2,846	586,851	589,559
Genuine Parts Company	4,498	587,098	589,155			<u>82,376,748</u>	<u>70,424,714</u>
LKQ Corporation	95,000	3,685,488	3,075,176	Health Care – 1.2%			
McDonald's Corporation	1,914	457,004	463,618	Becton, Dickinson and Company	1,453	444,644	446,595
PVH Corporation	45,000	7,993,608	5,705,721	Danaher Corporation	4,219	592,024	593,473
Tapestry Inc.	100,000	5,756,402	4,603,863	Gilead Sciences, Inc.	19,400	1,637,034	1,655,304
Tiffany & Company	10,000	1,387,727	1,098,243	HCA Healthcare Inc.	25,000	4,243,970	4,244,080
Yum! Brands, Inc.	4,671	584,421	585,691	Medtronic PLC	4,794	596,778	594,836
		<u>37,672,244</u>	<u>32,809,000</u>	Merck & Co., Inc.	5,678	564,206	591,826
				Mylan N.V.	500	22,229	18,688
Consumer Staples – 1.4%				Pfizer Inc.	9,962	591,417	593,170
Coca-Cola Company, The	9,067	582,817	585,642			<u>8,692,302</u>	<u>8,737,972</u>
Colgate-Palmolive Company	50,000	4,515,649	4,059,584	Industrials – 4.8%			
Costco Wholesale Corporation	17,500	4,897,817	4,862,941	Emerson Electric Company	30,000	2,846,733	2,445,163
Mondelez International, Inc.	1,802	98,053	98,399	FedEx Corporation	10,658	3,260,838	2,345,522
PepsiCo, Inc.	3,893	585,193	586,701	General Dynamics Corporation	17,500	4,311,976	3,752,899
Procter & Gamble Company, The	4,253	480,353	533,278	Honeywell International Inc.	3,273	642,221	589,879
		<u>11,159,882</u>	<u>10,726,545</u>	JB Hunt Transport Services Inc.	15,000	2,153,837	1,903,749
				Kansas City Southern	27,500	3,886,939	3,580,612
Currency Options – 0.7%				Lockheed Martin Corporation	15,000	5,504,492	5,357,669
USD Call / CAD Put, Call Options \$1.35 Jan 11, 2019	150,000,000	751,077	2,329,965	Northrop Grumman Corporation	20,800	7,596,488	6,948,655
USD Call / CAD Put, Call Options \$1.385 Jan 11, 2019	150,000,000	122,327	192,544	Republic Services, Inc.	5,950	578,755	585,114
USD Call / CAD Put, Call Options \$1.39 Mar 08, 2019	287,000,000	1,742,950	2,254,251	Southwest Airlines Company	65,000	4,614,831	4,121,242
USD Call / CAD Put, Call Options \$1.395 Mar 08, 2019	75,000,000	549,482	505,913	Stanley Black & Decker Inc.	25,000	4,834,971	4,083,456
USD Put / CAD Call, Put Options \$1.305 Jan 11, 2019	150,000,000	6,116	1,023	Waste Management, Inc.	4,885	578,916	593,000
		<u>3,171,952</u>	<u>5,283,696</u>			<u>40,810,997</u>	<u>36,306,960</u>
Energy – 4.1%				Information Technology – 5.6%			
Alerian MLP ETF, Call Options \$14.00 Jan 18, 2019	23,000	406,366	78,436	Amphenol Corporation	5,318	587,714	587,745
Baker Hughes, a GE company	50,000	1,885,079	1,466,416	Apple Inc.	20,000	4,605,178	4,303,487
Canadian Natural Resources Ltd.	373,500	13,729,045	12,303,090	Applied Materials, Inc.	247,500	13,297,775	11,053,569
Chevron Corporation	1,493	235,553	221,563	Citrix Systems, Inc.	4,220	589,092	589,814
Exxon Mobil Corporation	6,278	588,535	583,970	Fidelity National Information Service, Inc.	4,245	591,902	593,830
Halliburton Company	318,500	16,156,519	11,548,167	Fiserv, Inc.	5,889	592,773	590,362
Occidental Petroleum Corporation	5,000	514,352	418,645	Jack Henry & Associates Inc.	3,429	588,974	591,800
Phillips 66 Company	35,000	4,381,177	4,113,125	KLA-Tencor Corporation	30,000	4,171,904	3,662,220
SPDR S&P Oil & Gas Exploration & Production ETF, Call Options \$39.00 Jan 18, 2019	5,550	499,643	7,571	Lam Research Corporation, Call Options \$155.00 Feb 15, 2019	825	661,862	273,469
		<u>38,396,269</u>	<u>30,740,983</u>	Lam Research Corporation, Call Options \$175.00 Apr 18, 2019	500	138,400	129,931
				Marvell Technology Group Ltd.	300,000	6,856,412	6,625,471
Federal Bonds – 5.9%				Microsoft Corporation	3,330	450,829	461,380
Government of Canada 0.75% Aug 01, 2019	20,000,000	19,779,600	19,884,003	Motorola Solutions, Inc.	1,102	183,040	172,933
Government of Canada 1.75% Sep 01, 2019	25,000,000	24,943,000	24,994,829	Paychex, Inc.	6,618	597,276	588,152
		<u>44,722,600</u>	<u>44,878,832</u>	TE Connectivity Ltd.	67,500	7,319,122	6,963,803
Financials – 9.3%							
Affiliated Managers Group, Inc.	40,000	6,701,801	5,316,746				
Aon PLC	2,978	589,896	590,498				

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, 2018

Issuer	Number of Shares/ Number of Contracts/ Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Contracts	Average Cost (\$)	Carrying Value (\$)
LONG POSITIONS (cont'd)				SHORT POSITIONS (cont'd)			
Information Technology (cont'd)				Consumer Discretionary (cont'd)			
Western Digital Corporation	105,000	9,089,681	5,295,261	Dollar Tree Inc., Written Put Options \$77.50 Jan 18, 2019	(400)	(41,970)	(10,913)
		50,321,934	42,483,227	Dollarama Inc., Written Put Options \$32.00 Jan 18, 2019	(1,750)	(70,000)	(157,500)
Materials – 1.9%				Hilton Worldwide Holdings Inc., Written Put Options \$67.50 Jan 18, 2019	(50)	(8,420)	(4,604)
Air Products and Chemicals, Inc.	583	127,472	127,284	Lowe's Companies Inc., Written Put Options \$75.00 Jan 18, 2019	(300)	(45,277)	(6,138)
Avery Dennison Corporation	27,500	3,734,743	3,369,789	Lowe's Companies Inc., Written Put Options \$85.00 Jan 18, 2019	(150)	(28,193)	(14,119)
Ecolab Inc.	2,964	591,143	595,768	Target Corporation, Written Put Options \$67.50 Jan 18, 2019	(450)	(57,726)	(190,293)
LyondellBasell Industries NV, Class A – ADR	67,500	8,654,730	7,657,145			(872,684)	(1,808,650)
WestRock Company	57,500	3,721,477	2,961,750	Consumer Staples – (0.1%)			
		16,829,565	14,711,736	Constellation Brands Inc., Class A, Written Put Options \$180.00 Jan 18, 2019	(150)	(53,618)	(413,325)
Options on Index Based Exchange-Traded Funds – 0.3%				Constellation Brands Inc., Class A, Written Put Options \$170.00 Jan 18, 2019	(175)	(34,684)	(278,107)
SPDR S&P 500 ETF, Call Options \$267.50 Feb 01, 2019	4,000	491,186	436,514	Costco Wholesale Corporation, Written Put Options \$190.00 Feb 15, 2019	(175)	(66,336)	(71,019)
SPDR S&P 500 ETF, Call Options \$267.50 Feb 08, 2019	4,000	556,556	608,392	Costco Wholesale Corporation, Written Put Options \$200.00 Jan 18, 2019	(75)	(28,532)	(34,785)
SPDR S&P 500 ETF, Call Options \$292.00 Jan 18, 2019	1,250	127,662	1,705	Walmart Inc., Written Put Options \$80.00 Mar 15, 2019	(500)	(125,835)	(53,200)
SPDR S&P 500 ETF, Put Options \$215.00 Jan 25, 2019	4,500	518,928	251,678	Walmart Inc., Written Put Options \$85.00 Jan 18, 2019	(350)	(64,688)	(15,278)
SPDR S&P 500 ETF, Put Options \$220.00 Jan 07, 2019	7,000	489,990	57,293	Walmart Inc., Written Put Options \$90.00 Jan 18, 2019	(325)	(46,608)	(44,112)
SPDR S&P 500 ETF, Put Options \$220.00 Jan 14, 2019	11,650	3,241,042	381,404			(420,301)	(909,826)
SPDR S&P 500 ETF, Put Options \$240.00 Jan 07, 2019	7,000	2,383,347	654,090	Currency Options – (0.4%)			
		7,808,711	2,391,076	USD Call / CAD Put, Written Call Options \$1.35 Jan 11, 2019	(150,000,000)	(1,631,033)	(2,329,964)
Real Estate – 0.5%				USD Call / CAD Put, Written Call Options \$1.39 Jan 11, 2019	(150,000,000)	(61,722)	(192,542)
Crown Castle International Corporation	3,973	584,786	588,731	USD Call / CAD Put, Written Call Options \$1.43 Mar 08, 2019	(287,000,000)	(414,988)	(645,190)
Weyerhaeuser Company	107,800	4,536,161	3,214,530	USD Call / CAD Put, Written Call Options \$1.45 Mar 08, 2019	(75,000,000)	(93,724)	(89,520)
		5,120,947	3,803,261	USD Put / CAD Call, Written Put Options \$1.31 Jan 11, 2019	(150,000,000)	(107,905)	(1,023)
Utilities – 0.1%						(2,309,372)	(3,258,239)
Duke Energy Corporation	2,077	243,905	244,510	Energy – (0.3%)			
Exelon Corporation	9,603	568,188	590,789	Anadarko Petroleum Corporation, Written Put Options \$37.50 Feb 15, 2019	(750)	(41,481)	(80,312)
		812,093	835,299	Canadian Natural Resources Ltd., Written Put Options \$29.00 Jan 18, 2019	(1,250)	(30,000)	(28,125)
MONEY MARKET INSTRUMENTS – 58.9%				Diamondback Energy Inc., Written Put Options \$90.00 Jan 18, 2019	(350)	(68,375)	(143,231)
Treasury Bills – 58.9%				EOG Resources Inc., Written Put Options \$90.00 Jan 18, 2019	(450)	(104,913)	(323,805)
Government of Canada 0.00% Dec 12, 2019	95,000,000	93,171,250	93,247,448	SPDR S&P Oil & Gas Exploration & Production ETF, Written Call Options \$42.00 Jan 18, 2019	(5,550)	(154,299)	(3,785)
Government of Canada 0.00% Feb 07, 2019 (pledged as collateral)	25,400,000	25,057,354	25,360,750	SPDR S&P Oil & Gas Exploration & Production ETF, Written Put Options \$32.00 Jan 18, 2019	(1,850)	(240,021)	(1,387,979)
Government of Canada 0.00% Mar 07, 2019	162,250,000	159,957,408	161,788,643			(639,089)	(1,967,237)
United States Treasury Bills 0.00% Jun 20, 2019	USD 65,000,000	84,023,560	87,701,879	Financials – (0.3%)			
United States Treasury Bills 0.00% Jun 20, 2019 (pledged as collateral)	USD 5,000,000	6,463,351	6,746,298	Bank of America Corporation, Written Put Options \$25.00 Jan 18, 2019	(1,750)	(83,424)	(225,589)
United States Treasury Bills 0.00% Sep 12, 2019	USD 15,300,000	19,474,022	20,499,395	Blackstone Group LP, Written Put Options \$27.00 Jan 18, 2019	(1,500)	(66,224)	(61,385)
United States Treasury Bills 0.00% Sep 12, 2019 (pledged as collateral)	USD 37,200,000	47,348,602	49,841,665	Citigroup Inc., Written Put Options \$60.00 Jan 18, 2019	(440)	(73,678)	(486,168)
		435,495,547	445,186,078	Citigroup Inc., Written Put Options \$62.50 Jan 18, 2019	(364)	(87,223)	(520,121)
TOTAL LONG POSITIONS		847,182,212	803,874,666	Goldman Sachs Group Inc., The, Written Put Options \$175.00 Jan 18, 2019	(250)	(77,760)	(354,668)
SHORT POSITIONS – (2.2%)				Progressive Corporation, The, Written Put Options \$57.50 Jan 18, 2019	(500)	(37,762)	(44,334)
Communication Services – (0.1%)				Progressive Corporation, The, Written Put Options \$62.50 Jan 18, 2019	(500)	(57,476)	(196,090)
Discovery Communications, Inc., Written Put Options \$25.00 Jan 18, 2019	(1,250)	(64,413)	(187,565)	Wells Fargo & Company, Written Put Options \$50.00 Feb 15, 2019	(600)	(76,503)	(394,909)
Netflix Inc., Written Put Options \$190.00 Feb 15, 2019	(150)	(70,333)	(62,919)			(560,050)	(2,283,264)
Netflix Inc., Written Put Options \$200.00 Jan 18, 2019	(225)	(98,275)	(57,702)	Health Care – (0.3%)			
Netflix Inc., Written Put Options \$225.00 Jan 18, 2019	(150)	(41,152)	(97,704)	AbbVie Inc., Written Put Options \$77.50 Jan 18, 2019	(375)	(78,665)	(9,464)
Take-Two Interactive Software Inc., Written Put Options \$85.00 Jan 18, 2019	(350)	(50,654)	(25,065)	ABIOMED Inc., Written Put Options \$220.00 Jan 18, 2019	(175)	(32,861)	(15,517)
Verizon Communications Inc., Written Put Options \$55.00 Jan 18, 2019	(350)	(24,972)	(47,982)	ABIOMED Inc., Written Put Options \$250.00 Jan 18, 2019	(120)	(80,367)	(24,963)
		(349,799)	(478,937)	Align Technology Inc., Written Put Options \$160.00 Jan 18, 2019	(213)	(87,692)	(23,244)
Consumer Discretionary – (0.2%)				Allergan PLC, Written Put Options \$120.00 Feb 15, 2019	(175)	(56,893)	(54,786)
Amazon.com Inc. Written Put Options \$1,250.00 Feb 15, 2019	(25)	(87,243)	(71,957)	Allergan PLC, Written Put Options \$125.00 Feb 15, 2019	(225)	(42,854)	(106,656)
Aptiv PLC, Written Put Options \$67.50 Jan 18, 2019	(500)	(59,458)	(443,335)	Centene Corporation, Written Put Options \$105.00 Mar 15, 2019	(250)	(121,754)	(122,770)
BorgWarner Inc., Written Put Options \$35.00 Jan 18, 2019	(750)	(81,901)	(143,231)				
Caesars Entertainment Corporation, Written Put Options \$7.00 Jan 18, 2019	(3,500)	(141,980)	(298,399)				
Comcast Corporation, Class A, Written Put Options \$33.75 Jan 18, 2019	(750)	(44,681)	(80,823)				
Comcast Corporation, Class A, Written Put Options \$35.00 Jan 18, 2019	(1,250)	(77,640)	(242,982)				
D.R. Horton Inc., Written Put Options \$32.00 Jan 18, 2019	(900)	(40,670)	(46,652)				
Darden Restaurants Inc., Written Put Options \$97.50 Jan 18, 2019	(300)	(46,252)	(79,800)				
Dollar General Corporation, Written Put Options \$95.00 Jan 18, 2019	(350)	(41,273)	(17,904)				

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, 2018

Issuer	Number of Contracts	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Contracts	Average Cost (\$)	Carrying Value (\$)
SHORT POSITIONS (cont'd)				SHORT POSITIONS (cont'd)			
Health Care (cont'd)				Information Technology (cont'd)			
Centene Corporation, Written Put Options \$95.00 Mar 15, 2019	(300)	(74,441)	(74,685)	Lam Research Corporation, Written Put Options \$115.00 Feb 15, 2019	(550)	(113,986)	(163,557)
CIGNA Corporation, Written Put Options \$165.00 Jan 18, 2019	(250)	(38,111)	(24,895)	Marvell Technology Group Ltd., Written Put Options \$14.00 Jan 18, 2019	(1,965)	(116,534)	(16,083)
DaVita Inc., Written Put Options \$52.50 Jan 18, 2019	(550)	(51,698)	(189,440)	Marvell Technology Group Ltd., Written Put Options \$15.00 Jan 18, 2019	(1,500)	(115,621)	(37,854)
HCA Healthcare Inc., Written Put Options \$100.00 Jan 18, 2019	(300)	(34,202)	(13,300)	MasterCard Inc., Written Put Options \$180.00 Jan 18, 2019	(375)	(125,022)	(155,764)
Johnson & Johnson, Written Put Options \$110.00 Feb 15, 2019	(450)	(79,068)	(36,217)	Microsoft Corporation, Written Put Options \$85.00 Feb 15, 2019	(500)	(76,202)	(65,818)
Johnson & Johnson, Written Put Options \$115.00 Feb 15, 2019	(475)	(97,977)	(63,175)	Microsoft Corporation, Written Put Options \$95.00 Jan 18, 2019	(368)	(51,841)	(58,984)
WellCare Health Plans Inc., Written Put Options \$200.00 Jan 18, 2019	(200)	(61,699)	(21,826)	NVIDIA Corporation, Written Put Options \$115.00 Jan 18, 2019	(375)	(91,769)	(70,848)
Medtronic Inc., Written Put Options \$82.50 Jan 18, 2019	(350)	(63,921)	(16,949)	NVIDIA Corporation, Written Put Options \$135.00 Jan 18, 2019	(250)	(44,593)	(254,065)
Merck & Company Inc., Written Put Options \$70.00 Jan 18, 2019	(550)	(33,934)	(13,130)	NXP Semiconductors NV, Written Put Options \$65.00 Jan 18, 2019	(375)	(45,200)	(29,414)
Mylan N.V., Written Put Options \$32.50 Jan 18, 2019	(2,245)	(204,978)	(1,538,867)	NXP Semiconductors NV, Written Put Options \$70.00 Jan 18, 2019	(400)	(70,603)	(87,849)
Thermo Fisher Scientific Inc., Written Put Options \$200.00 Mar 15, 2019	(150)	(93,987)	(74,685)	NXP Semiconductors NV, Written Put Options \$72.50 Jan 18, 2019	(900)	(203,747)	(321,043)
UnitedHealth Group Inc., Written Put Options \$220.00 Feb 01, 2019	(100)	(60,843)	(25,168)	Oracle Corporation, Written Put Options \$39.00 Feb 15, 2019	(1,035)	(67,524)	(46,591)
Zoetis Inc., Written Put Options \$80.00 Jan 25, 2019	(350)	(100,573)	(53,712)	PayPal Holdings Inc., Written Put Options \$70.00 Feb 15, 2019	(500)	(69,076)	(64,454)
		<u>(1,496,518)</u>	<u>(2,503,449)</u>	PayPal Holdings Inc., Written Put Options \$72.50 Jan 18, 2019	(375)	(43,911)	(17,137)
Industrials – (0.1%)				QUALCOMM Inc., Written Put Options \$50.00 Jan 18, 2019	(550)	(67,297)	(16,506)
3M Company, Written Put Options \$180.00 Feb 01, 2019	(175)	(69,405)	(81,164)	Salesforce.com Inc., Written Put Options \$105.00 Jan 25, 2019	(325)	(36,848)	(11,305)
Alaska Air Group Inc., Written Put Options \$55.00 Jan 18, 2019	(500)	(36,042)	(32,398)	Shopify Inc., Written Put Options \$100.00 Jan 18, 2019	(455)	(83,989)	(20,172)
Ametek Inc., Written Put Options \$60.00 Jan 18, 2019	(450)	(27,926)	(18,415)	Visa Inc., Class A, Written Put Options \$120.00 Jan 18, 2019	(275)	(50,376)	(29,260)
Delta Air Lines Inc., Written Put Options \$48.00 Jan 18, 2019	(500)	(26,030)	(74,003)			<u>(2,548,529)</u>	<u>(2,329,409)</u>
Emerson Electric Company, Put Options \$61.00 Jan 11, 2019	(450)	(35,287)	(131,977)	Options on Index Based Exchange-Traded Funds – (0.1%)			
Lockheed Martin Corporation, Written Put Options \$270.00 Jan 18, 2019	(125)	(40,795)	(201,206)	SPDR S&P 500 ETF, Written Call Options \$277.50 Feb 01, 2019	(4,000)	(95,507)	(81,846)
Northrop Grumman Corporation, Written Put Options \$205.00 Feb 15, 2019	(98)	(53,946)	(27,405)	SPDR S&P 500 ETF, Written Call Options \$277.50 Feb 08, 2019	(4,000)	(130,953)	(133,683)
XPO Logistics Inc., Written Put Options \$55.00 Feb 15, 2019	(750)	(96,392)	(450,156)	SPDR S&P 500 ETF, Written Call Options \$307.00 Jan 18, 2019	(1,250)	(12,354)	(853)
		<u>(385,823)</u>	<u>(1,016,724)</u>	SPDR S&P 500 ETF, Written Put Options \$200.00 Jan 25, 2019	(4,500)	(205,726)	(110,493)
				SPDR S&P 500 ETF, Written Put Options \$205.00 Jan 14, 2019	(11,650)	(1,196,555)	(135,081)
				SPDR S&P 500 ETF, Written Put Options \$230.00 Jan 07, 2019	(14,000)	(1,959,933)	(305,560)
Information Technology – (0.3%)						<u>(3,601,028)</u>	<u>(767,516)</u>
Adobe Systems Incorporated, Written Put Options \$195.00 Jan 18, 2019	(200)	(82,625)	(27,555)	Real Estate – 0.0%			
Advanced Micro Devices Inc., Written Put Options \$14.00 Jan 18, 2019	(3,870)	(79,917)	(44,872)	Equinix Inc., Written Put Options \$350.00 Jan 18, 2019	(135)	(105,208)	(149,165)
Advanced Micro Devices Inc., Written Put Options \$15.00 Jan 18, 2019	(1,750)	(68,608)	(41,776)	TOTAL SHORT POSITIONS		<u>(13,288,401)</u>	<u>(17,472,416)</u>
Alphabet Inc., Class A, Written Put Options \$1,010.00 Jan 18, 2019	(30)	(37,370)	(70,183)	Transaction Costs		<u>19,065</u>	
Alphabet Inc., Class A, Written Put Options \$1,025.00 Jan 18, 2019	(35)	(89,035)	(100,023)	TOTAL INVESTMENT PORTFOLIO		<u>833,912,876</u>	<u>786,402,250</u>
Alphabet Inc., Class A, Written Put Options \$920.00 Jan 18, 2019	(55)	(104,647)	(27,384)	Unrealized Gain (Loss) on Derivatives – (2.4%)			<u>(17,879,272)</u>
Apple Inc., Written Put Options \$140.00 Feb 15, 2019	(200)	(62,901)	(79,527)	OTHER ASSETS, LESS LIABILITIES – (1.6%)			<u>(12,240,824)</u>
Automatic Data Processing Inc., Written Put Options \$120.00 Feb 15, 2019	(250)	(100,987)	(83,552)	NET ASSETS – 100.0%			<u>756,282,154</u>
Cadence Design Systems Inc., Written Put Options \$42.00 Jan 18, 2019	(700)	(37,921)	(74,003)				
Dropbox Inc., Written Put Options \$19.00 Jan 18, 2019	(2,000)	(74,428)	(143,231)				
Lam Research Corporation, Written Call Options \$175.00 Feb 15, 2019	(825)	(209,587)	(42,202)				
Lam Research Corporation, Written Call Options \$200.00 Apr 18, 2019	(500)	(39,447)	(38,536)				
Lam Research Corporation, Written Put Options \$105.00 Apr 18, 2019	(250)	(86,917)	(89,861)				

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+	Feb. 20, 2019	US Dollar	20,000,000	Canadian Dollar	26,561,000	1.328	1.363	704,638
Royal Bank of Canada	A-1+	Feb. 20, 2019	US Dollar	15,000,000	Canadian Dollar	19,718,175	1.315	1.363	731,179
Royal Bank of Canada	A-1+	Feb. 20, 2019	US Dollar	10,000,000	Canadian Dollar	13,382,800	1.338	1.363	249,955
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	US Dollar	66,000,000	Canadian Dollar	87,938,730	1.332	1.363	2,037,696
									<u>3,723,468</u>

UNREALIZED LOSS ON CURRENCY FORWARD CONTRACTS

Counterparty	Credit Rating	Settlement Date	Currency To Be Received	Contractual Amount	Currency To Be Delivered	Contractual Amount	Contract Price	Market Price	Unrealized Loss (\$)
Royal Bank of Canada	A-1+	Feb. 20, 2019	Canadian Dollar	23,664,854	US Dollar	18,040,000	0.762	0.734	(928,551)
Bank of Nova Scotia, The	A-1	Feb. 20, 2019	Canadian Dollar	33,445,418	US Dollar	25,500,000	0.762	0.734	(1,317,987)
Bank of America, N.A.	A-1	Feb. 20, 2019	Canadian Dollar	237,894,837	US Dollar	180,970,000	0.761	0.734	(8,816,271)
Citigroup Global Markets Limited	A-1	Feb. 20, 2019	Canadian Dollar	281,949,810	US Dollar	214,550,000	0.761	0.734	(10,539,931)
									<u>(21,602,740)</u>

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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	490,064,910	365,603,165
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	490,064,910	365,603,165

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$79,264 or approximately 0.0% (December 31, 2017 – \$436,871 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	477,187,864	(450,865,184)	26,322,680	3.5
European Euro	63,957	-	63,957	0.0
	477,251,821	(450,865,184)	26,386,637	3.5

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	637,827,483	(600,357,026)	37,470,457	4.3
European Euro	61,754	-	61,754	0.0
	637,889,237	(600,357,026)	37,532,211	4.3

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$2,638,664 or approximately 0.4% of net assets (December 31, 2017 – \$3,753,221 or approximately 0.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 39.2% (December 31, 2017 – 41.2%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$29,633,734 (December 31, 2017 – \$36,123,755). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit Ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rate instruments debentures (%)	Percentage of net assets (%)	Percentage of total credit rate instruments debentures (%)	Percentage of net assets (%)
AAA/A-1+	100.0	64.8	100.0	41.6
	100.0	64.8	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. Below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets.

Scotia Private Options Income Pool (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Communication Services	7.1	–
Consumer Discretionary	4.1	4.7
Consumer Staples	1.3	2.8
Currency Options	0.3	0.1
Energy	3.8	2.7
Federal Bonds	5.9	–
Financials	9.0	5.0
Health Care	0.9	5.2
Industrials	4.7	3.7
Information Technology	5.3	11.8
Materials	1.9	1.2
Options on Index Based Exchange-Traded Funds	0.2	0.1
Real Estate	0.5	1.4
Telecommunication Services	–	1.8
Treasury Bills	58.9	41.6
Utilities	0.1	0.8

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	305,645,580	–	–	305,645,580
Bonds and debentures	–	44,878,832	–	44,878,832
Money market instruments	–	445,186,076	–	445,186,076
Warrants, rights and options	2,880,483	5,283,696	–	8,164,179
Unrealized gain on currency forward contracts	–	3,723,468	–	3,723,468
	308,526,063	499,072,072	–	807,598,135
Liability for written options	(14,214,177)	(3,258,239)	–	(17,472,416)
Unrealized loss on currency forward contracts	–	(21,602,740)	–	(21,602,740)
	294,311,886	474,211,093	–	768,522,979

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

Below is a summary of offsetting of financial assets and liabilities and collateral amounts that would occur if future events, such as bankruptcy or termination of contracts, were to arise. No amounts were offset in the financial statements.

Financial assets – by type	December 31, 2018			
	Gross amount of assets (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	3,723,468	(2,246,538)	–	1,476,930
Options contracts – OTC	5,283,696	(2,343,872)	–	2,939,824
Swap contracts – OTC	–	–	–	–
	9,007,164	(4,590,410)	–	4,416,754

Financial liabilities – by type	December 31, 2018			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	21,602,740	(2,246,538)	–	19,356,202
Options contracts – OTC	3,258,239	(2,343,872)	(51,197,263)	–
Swap contracts – OTC	–	–	–	–
	24,860,979	(4,590,410)	(51,197,263)	19,356,202

Financial assets – by type	December 31, 2017			
	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	December 31, 2017			
	Gross amount of liabilities (\$)	Master netting offset (\$)	Collateral pledged/received (\$)	Net Amount (\$)
Currency forward contracts	–	–	–	–
Options contracts – OTC	69,582	(69,582)	–	–
Swap contracts – OTC	–	–	–	–
	69,582	(69,582)	–	–

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund as at December 31, 2017. The Fund did not hold any interest in Underlying Funds as at December 31, 2018.

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

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

Scotia Canadian Bond Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	225,641,540	261,087,300
Cash	248,090	9,942
Receivable for securities sold	—	316,556
Subscriptions receivable	183,487	131,273
Accrued investment income and other	1,260,528	1,430,605
	<u>227,333,645</u>	<u>262,975,676</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	—	548,340
Redemptions payable	272,999	358,807
Distributions payable	23	19
	<u>273,022</u>	<u>907,166</u>
Net assets attributable to holders of redeemable units	<u>227,060,623</u>	<u>262,068,510</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	223,926,181	261,144,729
Series D	922,328	536,452
Series F	<u>2,212,114</u>	<u>387,329</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	11.25	11.45
Series D	9.31	9.47
Series F	<u>11.24</u>	<u>11.44</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	7,699,754	8,718,618
Net realized gain (loss) on non-derivative financial assets	(874,105)	782,087
Change in unrealized gain (loss) on non-derivative financial assets	(3,768,000)	(2,125,875)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	3,057,649	7,374,830
Securities lending (note 11)	8,450	25,191
Net realized and unrealized foreign currency translation gain (loss)	362	—
Other income	2,598	1,718
Total income (loss), net	<u>3,069,059</u>	<u>7,401,739</u>
EXPENSES		
Management fees (note 5)	1,692,259	1,949,424
Fixed administration fees (note 6)	145,538	167,288
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	546	408
Foreign withholding taxes/tax reclaims	—	305
Harmonized Sales Tax/Goods and Services Tax	220,018	253,805
Total expenses	<u>2,059,610</u>	<u>2,372,365</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>1,009,449</u>	<u>5,029,374</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	972,910	5,014,719
Series D	7,214	(3,526)
Series F	<u>29,325</u>	<u>18,181</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.05	0.21
Series D	0.11	(0.17)
Series F	<u>0.26</u>	<u>0.39</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	21,282,295	24,260,736
Series D	68,279	20,174
Series F	<u>112,762</u>	<u>47,108</u>

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

Scotia Canadian Bond Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	261,144,729	296,559,652
Series D	536,452	45,008
Series F	387,329	809,974
	<u>262,068,510</u>	<u>297,414,634</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	972,910	5,014,719
Series D	7,214	(3,526)
Series F	29,325	18,181
	<u>1,009,449</u>	<u>5,029,374</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(5,581,042)	(6,428,963)
Series D	(16,240)	(4,994)
Series F	(34,557)	(14,776)
	<u>(5,631,839)</u>	<u>(6,448,733)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	34,293,165	31,552,579
Series D	735,333	674,095
Series F	2,066,638	140,704
Reinvested distributions		
Series A	5,471,953	6,296,647
Series D	11,201	4,392
Series F	22,001	6,175
Payments on redemption		
Series A	(72,375,534)	(71,849,905)
Series D	(351,632)	(178,523)
Series F	(258,622)	(572,929)
	<u>(30,385,497)</u>	<u>(33,926,765)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(37,218,548)	(35,414,923)
Series D	385,876	491,444
Series F	1,824,785	(422,645)
	<u>(35,007,887)</u>	<u>(35,346,124)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	223,926,181	261,144,729
Series D	922,328	536,452
Series F	2,212,114	387,329
	<u>227,060,623</u>	<u>262,068,510</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	1,009,449	5,029,374
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	874,105	(782,087)
Change in unrealized (gain) loss on non-derivative financial assets	3,768,000	2,125,875
Purchases of non-derivative financial assets and liabilities	(88,450,444)	(89,995,495)
Proceeds from sale of non-derivative financial assets and liabilities	119,022,317	123,573,794
Accrued investment income and other	170,077	133,531
Accrued expenses and other payables	-	(6,909)
Net cash provided by (used in) operating activities	<u>36,393,504</u>	<u>40,078,083</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	36,420,509	32,195,419
Amounts paid on redemption of redeemable units	(72,449,184)	(72,273,702)
Distributions to unitholders of redeemable units	(126,681)	(141,516)
Net cash provided by (used in) financing activities	<u>(36,155,356)</u>	<u>(40,219,799)</u>
Net increase (decrease) in cash	238,148	(141,716)
Cash (bank overdraft), beginning of period	9,942	151,658
CASH (BANK OVERDRAFT), END OF PERIOD	<u>248,090</u>	<u>9,942</u>
Interest paid ⁽¹⁾	546	408
Interest received, net of withholding taxes ⁽¹⁾	7,858,967	8,867,676

⁽¹⁾ Classified as operating items.

Scotia Canadian Bond Index Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES – 99.3%				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds – 33.5%				Corporate Bonds (cont'd)			
407 East Development Group General Partnership 4.47% Jun 23, 2045	55,437	55,437	58,383	AltaLink L.P. 2.98% Nov 28, 2022	45,000	45,000	45,407
407 International Inc. (Callable) 2.43% Feb 04, 2027	32,000	31,988	30,538	AltaLink L.P. 3.62% Sep 17, 2020	18,000	18,000	18,318
407 International Inc. (Callable) 2.47% Aug 08, 2022	24,000	23,997	23,597	AltaLink L.P. 3.67% Nov 06, 2023	77,000	77,000	80,077
407 International Inc. (Callable) 3.30% Sep 27, 2044	39,000	38,934	35,860	AltaLink L.P. 4.46% Nov 08, 2041	55,000	55,000	60,871
407 International Inc. (Callable) 3.43% Dec 01, 2032	65,000	64,946	64,752	AltaLink L.P. 4.87% Nov 15, 2040	65,000	65,000	75,898
407 International Inc. (Callable) 3.60% Nov 21, 2046	54,000	53,940	52,293	AltaLink L.P. 4.92% Sep 17, 2043	90,000	90,000	106,695
407 International Inc. (Callable) 3.65% Mar 08, 2044	71,000	70,891	69,490	AltaLink L.P. 5.25% Sep 22, 2036	20,000	23,856	23,945
407 International Inc. (Callable) 3.72% Nov 11, 2047	65,000	65,000	64,286	AltaLink L.P. 5.38% Mar 26, 2040	22,000	22,000	27,123
407 International Inc. (Callable) 3.83% Nov 11, 2045	45,000	44,927	45,347	Arrow Lakes Power 5.52% Apr 05, 2041	94,971	94,971	112,646
407 International Inc. (Callable) 3.98% Jun 11, 2052	80,000	79,611	81,523	Asian Development Bank 4.65% Feb 16, 2027	101,000	101,062	114,571
407 International Inc. (Callable) 4.19% Jan 25, 2042	53,000	52,928	56,324	Bank of Montreal (Floating Rate) 3.40% Apr 23, 2021	200,000	210,920	203,126
407 International Inc. (Callable) 4.30% Feb 26, 2021	46,000	47,381	47,601	Bank of Montreal 1.61% Oct 28, 2021	491,000	490,051	475,932
407 International Inc. (Callable) 4.45% Aug 15, 2041	19,000	19,799	20,883	Bank of Montreal 1.88% Mar 31, 2021	355,000	355,120	348,840
407 International Inc. (Callable) 4.68% Apr 07, 2053	33,000	32,994	38,027	Bank of Montreal 2.10% Oct 06, 2020	299,000	298,943	296,416
407 International Inc. 4.99% Jun 16, 2020	40,000	44,519	41,398	Bank of Montreal 2.12% Mar 16, 2022	241,000	240,906	236,036
407 International Inc. 5.75% Feb 14, 2036	79,000	78,899	97,845	Bank of Montreal 2.27% Jul 11, 2022	237,000	236,988	232,530
407 International Inc. 5.96% Dec 03, 2035	20,000	21,354	25,965	Bank of Montreal 2.70% Dec 09, 2026	93,000	92,984	90,424
407 International Inc. 6.47% Jul 27, 2029	125,000	159,194	160,536	Bank of Montreal 2.70% Sep 11, 2024	286,000	285,963	281,848
Access Prairies Partnership 4.23% Mar 01, 2048	33,976	33,976	34,816	Bank of Montreal 2.84% Jun 04, 2020	456,000	455,886	457,917
Aéroports de Montreal (Callable) 3.92% Dec 12, 2044	25,000	25,000	26,386	Bank of Montreal 2.89% Jun 20, 2023	281,000	280,949	280,846
Aéroports de Montreal 3.92% Sep 26, 2042	60,000	60,000	63,268	Bank of Montreal 3.19% Mar 01, 2028	395,000	393,328	395,576
Aéroports de Montreal 5.17% Sep 17, 2035	65,000	70,509	78,598	Bank of Montreal 4.61% Sep 10, 2025	249,000	266,947	272,909
Aéroports de Montreal 5.67% Oct 16, 2037	75,000	87,660	97,433	Bankers Hall LP 4.38% Nov 20, 2023	67,290	67,290	68,138
Aéroports de Montreal 6.95% Apr 16, 2032	103,071	117,028	131,503	bdcMC Realty Corporation (Callable) 2.15% Jul 11, 2022	75,000	74,978	73,321
AGT Ltd. 8.80% Sep 22, 2025	19,000	27,497	24,383	bdcMC Realty Corporation (Callable) 2.84% Mar 03, 2025	90,000	89,953	89,043
AIMCo Realty Investors LP (Callable) 2.27% Apr 26, 2024	52,000	52,000	50,075	bdcMC Realty Corporation (Callable) 3.00% Dec 31, 2026	57,000	57,000	56,346
AIMCo Realty Investors LP (Callable) 3.37% Apr 01, 2027	41,000	41,000	41,448	bdcMC Realty Corporation 2.10% Jun 03, 2021	66,000	65,974	65,097
AIMCo Realty Investors LP 3.04% Jun 01, 2028	42,000	42,000	41,250	bdcMC Realty Corporation 3.51% Jun 29, 2022	25,000	24,994	25,589
Airmia Inc. 5.60% May 17, 2019	103,000	102,924	104,352	Bell Canada (Callable) 2.70% Dec 27, 2023	180,000	179,795	173,812
Alberta Powerline LP 4.07% Dec 01, 2053	74,000	74,000	75,756	Bell Canada (Callable) 2.90% May 12, 2026	123,000	122,672	116,385
Alberta Powerline LP 4.07% Mar 01, 2054	73,000	73,000	75,095	Bell Canada (Callable) 3.00% Sep 03, 2022	238,000	238,714	235,980
Alectra Inc. (Callable) 2.49% Feb 17, 2027	103,000	103,000	98,789	Bell Canada (Callable) 3.15% Aug 29, 2021	100,000	99,602	100,276
Alectra Inc. (Callable) 3.24% Aug 21, 2024	75,000	75,000	76,610	Bell Canada (Callable) 3.35% Dec 22, 2022	140,000	139,763	140,092
Alectra Inc. 4.52% Apr 29, 2021	35,000	35,000	36,502	Bell Canada (Callable) 3.55% Dec 02, 2025	66,000	65,752	65,563
Alectra Inc. 5.30% Apr 29, 2041	60,000	60,000	73,513	Bell Canada (Callable) 4.35% Jun 18, 2045	96,000	95,538	89,957
Algonquin Power & Utilities Corporation 4.65% Feb 15, 2022	70,000	69,905	72,584	Bell Canada (Callable) 4.45% Aug 27, 2046	95,000	94,501	90,540
Algonquin Power & Utilities Corporation 4.82% Feb 15, 2021	50,000	49,970	51,560	Bell Canada (Callable) 4.70% Jun 11, 2023	145,000	144,851	152,740
Algonquin Power Company (Callable) 4.09% Nov 17, 2026	28,000	27,980	28,009	Bell Canada (Callable) 4.75% Mar 29, 2044	58,000	57,477	57,940
Alimentation Couche-Tard Inc. (Callable) 3.06% May 26, 2024	75,000	75,000	72,548	Bell Canada 2.00% Oct 01, 2021	149,000	148,708	144,898
Alimentation Couche-Tard Inc. (Callable) 3.60% Mar 02, 2025	188,000	188,000	185,467	Bell Canada 3.25% Jun 17, 2020	196,000	195,853	197,325
Alliance Pipeline LP 5.55% Dec 31, 2023	11,292	11,295	11,745	Bell Canada 3.54% Jun 12, 2020	60,000	60,000	60,652
Alliance Pipeline LP 6.77% Dec 31, 2025	42,354	42,354	48,060	Bell Canada 4.95% May 19, 2021	85,000	84,689	88,803
Alliance Pipeline LP 7.18% Jun 30, 2023	22,108	23,265	24,504	Bell Canada 6.10% Mar 16, 2035	37,000	34,302	43,600
Alliance Pipeline LP 7.22% Dec 31, 2025	31,767	33,594	36,770	Bell Canada 6.17% Feb 26, 2037	38,000	37,965	45,171
Allied Properties Real Estate Investment Trust (Callable) 3.64% Feb 21, 2025	67,000	67,000	64,585	Bell Canada 7.30% Feb 23, 2032	35,000	47,110	44,866
Allied Properties Real Estate Investment Trust 3.75% May 13, 2020	43,000	43,000	43,416	Bell Canada 7.65% Dec 30, 2031	19,000	24,230	24,308
Allied Properties Real Estate Investment Trust 3.93% Nov 14, 2022	73,000	73,000	73,692	Bell Canada 7.85% Apr 02, 2031	80,000	93,650	106,881
AltaGas Canada Inc. (Callable) 4.26% Sep 05, 2028	42,000	41,969	42,743	Bell Canada Inc. (Callable) 3.35% Jan 12, 2025	82,000	81,878	80,972
AltaGas Ltd. (Callable) 3.57% Mar 12, 2023	106,000	105,921	104,679	Bell Canada Inc. (Callable) 3.60% Jun 29, 2027	79,000	78,770	77,726
AltaGas Ltd. (Callable) 3.84% Oct 15, 2024	85,000	84,975	83,799	Bell Canada Inc. (Callable) 3.80% May 21, 2028	120,000	119,862	118,853
AltaGas Ltd. (Callable) 3.98% Jul 04, 2027	16,000	15,993	15,423	Blackbird Infrastructure 407 General Partnership (Callable) 1.71% Jan 08, 2020	57,000	56,556	56,494
AltaGas Ltd. (Callable) 4.12% Jan 07, 2026	27,000	26,985	26,675	Blackbird Infrastructure 407 General Partnership 3.76% Jun 30, 2047	39,000	39,000	39,529
AltaGas Ltd. (Callable) 4.40% Dec 15, 2023	12,000	11,993	12,220	BMW Canada Inc. 1.78% Oct 19, 2020	42,000	41,987	41,293
AltaGas Ltd. (Callable) 4.99% Apr 04, 2047	37,000	37,000	33,604	BMW Canada Inc. 1.83% Jun 15, 2021	37,000	36,984	36,107
AltaGas Ltd. (Callable) 5.16% Jul 13, 2043	6,000	5,993	5,663	BMW Canada Inc. 1.88% Dec 11, 2020	77,000	77,000	75,717
AltaGas Ltd. 3.72% Sep 28, 2021	55,000	54,984	55,343	BMW Canada Inc. 2.57% Aug 06, 2021	50,000	49,985	49,620
AltaGas Ltd. 4.07% Jun 01, 2020	28,000	28,510	28,325	Borealis Infrastructure Trust 6.35% Dec 01, 2020	9,222	10,404	9,575
AltaLink Investments L.P. (Callable) 2.24% Dec 07, 2021	35,000	35,000	34,377	Bridging North America GP 4.02% May 31, 2038	21,000	21,242	22,166
AltaLink Investments L.P. (Callable) 3.27% Mar 05, 2020	32,000	31,998	32,260	Bridging North America GP 4.34% Aug 31, 2053	16,000	16,564	17,396
AltaLink L.P. (Callable) 2.75% Feb 28, 2026	26,000	26,000	25,597	British Columbia Ferry Services Inc. (Callable) 4.29% Oct 28, 2043	18,000	18,000	19,976
AltaLink L.P. (Callable) 3.40% Mar 06, 2024	89,000	89,000	91,406	British Columbia Ferry Services Inc. (Callable) 4.70% Apr 23, 2043	24,000	24,000	28,209
AltaLink L.P. (Callable) 3.72% Jun 03, 2046	37,000	37,000	36,642	British Columbia Ferry Services Inc. 5.02% Mar 20, 2037	50,000	57,137	59,319
AltaLink L.P. (Callable) 4.05% May 21, 2044	42,000	42,000	43,986	British Columbia Ferry Services Inc. 5.58% Jan 11, 2038	35,000	35,000	44,403
AltaLink L.P. (Callable) 4.09% Dec 30, 2044	91,000	91,000	95,689	British Columbia Ferry Services Inc. 6.25% Oct 13, 2034	20,000	19,976	26,348
AltaLink L.P. (Callable) 4.27% Dec 06, 2063	23,000	23,000	25,121	Brookfield Asset Management Inc. (Callable) 3.80% Dec 16, 2026	130,000	129,956	125,381

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Brookfield Asset Management Inc. (Callable) 4.82% Oct 28, 2025	109,000	112,783	113,289	Capital Desjardins Inc. 5.19% May 05, 2020	160,000	175,264	165,091
Brookfield Asset Management Inc. (Callable) 5.04% Dec 08, 2023	45,000	44,982	47,448	Capital Power Corporation (Callable) 4.28% Jul 18, 2024	82,000	82,000	81,259
Brookfield Asset Management Inc. 4.54% Mar 31, 2023	120,000	120,924	124,270	Capital Power Corporation 5.28% Nov 16, 2020	30,000	30,000	31,035
Brookfield Asset Management Inc. 5.30% Mar 01, 2021	74,000	75,832	77,189	CARDS II Trust 2.16% Oct 15, 2020	112,000	112,000	111,032
Brookfield Asset Management Inc. 5.95% Jun 14, 2035	72,000	67,954	79,664	Caterpillar Financial Services Ltd. 1.50% Jun 08, 2020	38,000	37,958	37,471
Brookfield Infrastructure Finance ULC (Callable) 3.32% Dec 22, 2023	95,000	95,545	92,887	Caterpillar Financial Services Ltd. 2.80% Jun 08, 2021	65,000	64,972	65,196
Brookfield Infrastructure Finance ULC (Callable) 3.45% Feb 11, 2022	64,000	64,000	64,017	CBC Monetization Trust 4.69% May 15, 2027	58,714	58,714	63,808
Brookfield Infrastructure Finance ULC (Callable) 4.19% Jun 11, 2028	121,000	121,000	119,829	CDP Financial Inc. 4.60% Jul 15, 2020	145,000	144,701	150,324
Brookfield Infrastructure Finance ULC 3.54% Oct 30, 2020	102,000	102,000	103,050	Central 1 Credit Union (Callable) 3.06% Oct 14, 2021	43,000	42,982	42,465
Brookfield Property Finance ULC (Callable) 4.35% Jun 03, 2023	82,000	81,964	82,272	Central 1 Credit Union 1.87% Mar 16, 2020	144,000	143,963	142,491
Brookfield Renewable Energy Partners ULC (Callable) 3.63% Oct 15, 2026	25,000	24,988	23,992	Central 1 Credit Union 2.60% Nov 07, 2022	72,000	71,973	70,532
Brookfield Renewable Energy Partners ULC (Callable) 3.75% Mar 02, 2025	65,000	64,997	64,311	Centre Hospitalier de l'Université de Montréal 4.45% Oct 01, 2049	38,000	38,002	44,490
Brookfield Renewable Energy Partners ULC 4.79% Feb 07, 2022	88,000	87,993	91,331	Chartwell Retirement Residences (Callable) 3.79% Oct 11, 2023	52,000	52,000	52,050
Brookfield Renewable Energy Partners ULC 5.84% Nov 05, 2036	62,000	56,687	68,003	Chartwell Retirement Residences (Callable) 4.21% Feb 28, 2025	24,000	24,000	24,283
Brookfield Renewable Partners ULC (Callable) 4.25% Oct 15, 2028	36,000	35,978	35,333	Chip Mortgage Trust 2.98% Nov 15, 2021	21,000	21,000	20,822
Bruce Power LP (Callable) 3.00% Apr 21, 2024	103,000	102,989	100,890	Choice Properties LP (Callable) 3.60% Jan 20, 2020	53,000	54,150	53,421
Bruce Power LP (Callable) 4.01% Mar 21, 2029	79,000	79,003	79,317	Choice Properties LP (Callable) 3.60% Jun 20, 2021	25,000	25,049	25,232
Bruce Power LP (Callable) 4.13% Mar 21, 2033	82,000	81,995	80,029	Choice Properties LP (Callable) 3.60% Jun 20, 2022	60,000	58,973	60,357
Bruce Power LP 2.84% Jun 23, 2021	82,000	82,000	81,704	Choice Properties Real Estate Investment Trust (Callable) 3.01% Feb 21, 2022	48,000	47,992	47,476
Bruce Power LP 3.97% Jun 23, 2026	104,000	104,432	105,881	Choice Properties Real Estate Investment Trust (Callable) 3.20% Feb 07, 2023	39,000	39,000	38,441
Cadillac Fairview Finance Trust 4.31% Jan 25, 2021	105,000	104,975	109,301	Choice Properties Real Estate Investment Trust (Callable) 3.55% Nov 10, 2024	59,000	59,000	57,930
Cameco Corporation (Callable) 4.19% Mar 24, 2024	138,000	137,945	137,775	Choice Properties Real Estate Investment Trust (Callable) 3.56% Jul 09, 2024	68,000	68,000	66,993
Cameco Corporation 3.75% Nov 14, 2022	80,000	79,994	79,549	Choice Properties Real Estate Investment Trust (Callable) 4.06% Aug 24, 2025	18,000	18,000	18,036
Canadian Imperial Bank of Commerce (Callable) 3.45% Apr 04, 2023	143,000	142,954	141,415	Choice Properties Real Estate Investment Trust (Callable) 4.18% Dec 08, 2027	71,000	71,000	70,346
Canadian Imperial Bank of Commerce 1.64% Jul 12, 2021	279,000	278,880	271,474	Choice Properties Real Estate Investment Trust (Callable) 4.29% Nov 08, 2023	35,000	35,000	35,824
Canadian Imperial Bank of Commerce 1.66% Jan 20, 2020	197,000	196,961	195,453	Choice Properties Real Estate Investment Trust (Callable) 4.90% Apr 05, 2023	35,000	35,000	36,728
Canadian Imperial Bank of Commerce 1.85% Jul 14, 2020	170,000	169,686	168,138	Choice Properties Real Estate Investment Trust (Callable) 5.27% Sep 07, 2045	26,000	26,000	27,349
Canadian Imperial Bank of Commerce 1.90% Apr 26, 2021	281,000	280,854	275,924	Choice Properties Real Estate Investment Trust 2.30% Sep 14, 2020	23,000	23,000	22,747
Canadian Imperial Bank of Commerce 2.04% Mar 21, 2022	80,000	79,974	78,093	Choice Properties Real Estate Investment Trust 3.50% Feb 08, 2021	55,000	55,000	55,408
Canadian Imperial Bank of Commerce 2.30% Jul 11, 2022	451,000	450,977	442,644	CI Financial Corporation (Callable) 2.78% Oct 25, 2021	69,000	69,000	68,142
Canadian Imperial Bank of Commerce 2.47% Dec 05, 2022	225,000	224,980	221,390	CI Financial Corporation (Callable) 3.52% Jun 20, 2023	49,000	49,000	48,756
Canadian Imperial Bank of Commerce 2.90% Sep 14, 2021	129,000	128,996	129,431	CI Financial Corporation 2.65% Dec 07, 2020	62,000	62,000	61,577
Canadian Imperial Bank of Commerce 2.97% Jul 11, 2023	196,000	195,965	196,344	CI Financial Corporation 3.90% Sep 27, 2027	79,000	79,000	77,498
Canadian Imperial Bank of Commerce 3.30% May 26, 2025	277,000	277,000	280,888	CIBC Capital Trust (Callable) 10.25% Jun 30, 2039	60,000	88,876	72,684
Canadian National Railway Company (Callable) 2.75% Jan 18, 2021	80,000	79,475	80,342	CIBC Capital Trust (Callable) 9.98% Jun 30, 2019	300,000	354,920	310,294
Canadian National Railway Company (Callable) 2.80% Jun 22, 2025	54,000	53,827	53,901	Clover LP 4.22% Jun 30, 2034	27,000	27,000	28,130
Canadian National Railway Company (Callable) 3.20% Apr 30, 2028	76,000	75,652	76,633	Clover LP 4.22% Mar 31, 2034	22,000	22,000	22,656
Canadian National Railway Company (Callable) 3.60% Feb 01, 2047	84,000	83,451	81,629	Coast Capital Savings Credit Union (Callable) 5.00% May 03, 2023	13,000	13,000	13,189
Canadian National Railway Company (Callable) 3.60% Jan 31, 2048	33,000	32,505	32,108	Coast Capital Savings Credit Union (Callable) 5.25% Oct 29, 2025	16,000	16,000	16,369
Canadian National Railway Company (Callable) 3.95% Mar 22, 2045	49,000	48,838	50,526	Cogeco Communications Inc. (Callable) 4.18% Feb 27, 2023	25,000	25,018	25,517
Canadian Natural Resources Ltd. (Callable) 3.42% Sep 01, 2026	78,000	78,000	74,951	Cogeco Communications Inc. 4.93% Feb 14, 2022	91,000	91,035	94,975
Canadian Natural Resources Ltd. (Callable) 3.55% Mar 03, 2024	81,000	80,703	80,343	Cogeco Communications Inc. 5.15% Nov 16, 2020	30,000	29,942	31,108
Canadian Natural Resources Ltd. (Callable) 4.85% Nov 30, 2046	53,000	53,348	52,597	Comber Wind Financial Corporation 5.13% Nov 15, 2030	171,213	168,155	183,045
Canadian Natural Resources Ltd. 2.05% Jun 01, 2020	20,000	19,995	19,727	Concordia University 6.55% Sep 02, 2042	30,000	29,996	43,426
Canadian Natural Resources Ltd. 2.60% Dec 03, 2019	46,000	45,918	45,901	Cordello Amalco GPI 4.09% Jun 30, 2034	65,000	65,000	66,323
Canadian Natural Resources Ltd. 2.89% Aug 14, 2020	163,000	165,185	162,498	Cordello Amalco GPI 4.09% Sep 30, 2034	65,000	65,000	66,420
Canadian Natural Resources Ltd. 3.31% Feb 11, 2022	167,000	166,975	166,846	CPPIB Capital Inc. 1.40% Jun 04, 2020	174,000	173,675	172,464
Canadian Pacific Railway Company 5.10% Jan 14, 2022	60,000	60,079	63,975	CPPIB Capital Inc. 3.00% Jun 15, 2028	278,000	278,000	282,146
Canadian Pacific Railway Company 6.45% Nov 17, 2039	50,000	52,832	66,553	Crombie Real Estate Investment Trust (Callable) 4.07% Oct 21, 2022	32,000	32,000	32,021
Canadian Real Estate Investment Trust (Callable) 2.95% Dec 19, 2022	22,000	21,999	21,514	Crombie Real Estate Investment Trust (Callable) 4.80% Nov 30, 2024	33,000	32,999	33,489
Canadian Real Estate Investment Trust 4.32% Jan 15, 2021	29,000	29,000	29,649	Crombie Real Estate Investment Trust 2.78% Feb 10, 2020	36,000	35,916	35,840
Canadian Tire Corporation Ltd. (Callable) 3.17% Jun 06, 2023	33,000	33,000	32,659	Crombie Real Estate Investment Trust 3.96% Jun 01, 2021	39,000	39,153	39,311
Canadian Tire Corporation Ltd. 2.65% Jul 06, 2020	33,000	33,000	32,951	Crosslinc Transit Solutions GP 4.56% Jun 30, 2051	33,000	32,428	33,452
Canadian Tire Corporation Ltd. 5.61% Sep 04, 2035	55,000	57,054	60,758	Crosslinc Transit Solutions GP 4.65% Sep 30, 2046	100,000	99,748	102,557
Canadian Tire Corporation Ltd. 6.45% Feb 24, 2034	45,000	47,241	53,580	CT Real Estate Investment Trust (Callable) 2.16% May 01, 2021	32,000	32,000	31,279
Canadian Utilities Ltd. 3.12% Nov 09, 2022	40,000	40,000	40,506	CT Real Estate Investment Trust (Callable) 2.85% May 09, 2022	33,000	33,000	32,473
Canadian Western Bank 2.38% Jan 23, 2020	50,000	50,000	49,786	CT Real Estate Investment Trust (Callable) 3.29% Mar 01, 2026	45,000	45,000	42,887
Canadian Western Bank 2.74% Jun 16, 2022	12,000	12,000	11,793	CT Real Estate Investment Trust (Callable) 3.47% Mar 16, 2027	20,000	20,000	19,039
Canadian Western Bank 2.75% Jun 29, 2020	44,000	44,000	43,888	CT Real Estate Investment Trust (Callable) 3.53% Mar 09, 2025	56,000	56,000	54,980
Canadian Western Bank 2.79% Sep 13, 2021	92,000	91,324	91,032	CU Inc. (Callable) 3.55% May 22, 2047	62,000	62,000	58,890
Canadian Western Bank 2.88% Mar 01, 2021	48,000	47,999	47,795	CU Inc. (Callable) 3.76% May 19, 2046	16,000	16,000	15,822
Canadian Western Bank 2.92% Dec 15, 2022	75,000	75,000	73,781	CU Inc. (Callable) 3.95% May 23, 2048	75,000	75,000	76,496
Canadian Western Bank 3.08% Jan 14, 2019	19,000	19,000	19,002	CU Inc. (Callable) 3.96% Jan 27, 2045	33,000	33,000	33,773
Capital City Link General Partnership 4.39% Mar 31, 2046	143,513	143,519	153,364	CU Inc. (Callable) 4.21% Apr 29, 2055	24,000	24,000	25,344
Capital Desjardins Inc. (Callable) 4.95% Dec 15, 2021	85,000	85,000	89,542	CU Inc. (Callable) 4.56% May 07, 2053	39,000	39,000	43,740

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
CU Inc. (Callable) 4.72% Mar 09, 2043	88,000	88,000	100,333	Enbridge Pipelines Inc. (Callable) 4.55% Mar 29, 2045	18,000	17,889	18,038
CU Inc. 3.81% Sep 10, 2042	131,000	128,780	130,605	Enbridge Pipelines Inc. 5.08% Dec 19, 2036	26,000	25,980	28,026
CU Inc. 3.83% Sep 11, 2062	105,000	105,000	102,159	Enbridge Pipelines Inc. 5.33% Apr 06, 2040	75,000	87,525	83,118
CU Inc. 4.54% Oct 24, 2041	79,000	82,573	87,402	Enbridge Pipelines Inc. 6.35% Nov 17, 2023	72,000	82,178	81,597
CU Inc. 5.03% Oct 24, 2061	45,000	45,000	50,830	Enbridge Pipelines Inc. 8.20% Feb 15, 2024	100,000	144,593	122,381
CU Inc. 4.80% Nov 22, 2021	54,000	59,387	57,240	Enercare Solutions Inc. (Callable) 3.38% Jan 21, 2022	57,000	56,990	56,764
CU Inc. 4.95% Nov 18, 2050	30,000	30,000	35,776	Enercare Solutions Inc. (Callable) 3.99% Dec 21, 2023	91,000	90,984	90,590
CU Inc. 5.03% Nov 20, 2036	28,000	28,000	32,546	Enercare Solutions Inc. 4.60% Feb 03, 2020	20,000	19,988	20,323
CU Inc. 5.18% Nov 21, 2035	31,000	31,000	36,626	ENMAX Corporation (Callable) 3.81% Sep 05, 2024	87,000	87,000	89,671
CU Inc. 5.56% May 26, 2028	40,000	43,095	47,434	ENMAX Corporation (Callable) 3.84% Mar 05, 2028	24,000	24,000	24,504
CU Inc. 5.56% Oct 30, 2037	38,000	38,530	47,111	EPCOR Utilities Inc. (Callable) 3.95% May 26, 2048	43,000	43,000	44,288
CU Inc. 5.58% May 26, 2038	70,000	84,807	86,853	EPCOR Utilities Inc. 3.55% Nov 27, 2047	93,000	93,000	89,341
CU Inc. 9.92% Apr 01, 2022	35,000	54,540	42,556	EPCOR Utilities Inc. 4.55% Feb 28, 2042	45,000	44,978	50,259
Daimler Canada Finance Inc. 1.57% May 25, 2020	39,000	39,000	38,336	EPCOR Utilities Inc. 5.65% Nov 16, 2035	33,000	32,830	40,741
Daimler Canada Finance Inc. 1.80% Dec 16, 2019	71,000	70,996	70,372	EPCOR Utilities Inc. 5.75% Nov 24, 2039	35,000	36,943	44,913
Daimler Canada Finance Inc. 1.91% Jul 08, 2021	115,000	114,968	111,932	EPCOR Utilities Inc. 6.65% Apr 15, 2038	25,000	27,700	34,820
Daimler Canada Finance Inc. 2.23% Dec 16, 2021	84,000	83,992	82,063	Fair Hydro Trust (Callable) 3.36% Nov 15, 2032	91,000	91,003	92,275
Daimler Canada Finance Inc. 2.30% Nov 23, 2020	72,000	72,000	71,158	Fair Hydro Trust (Callable) 3.52% Nov 15, 2037	68,000	68,001	69,486
Daimler Canada Finance Inc. 2.57% Nov 22, 2022	107,000	106,990	104,542	Fairfax Financial Holdings Limited (Callable) 4.70% Sep 16, 2026	16,000	15,947	16,377
Daimler Canada Finance Inc. 3.05% May 16, 2022	65,000	64,990	64,862	Fairfax Financial Holdings Limited 4.50% Mar 22, 2023	158,000	157,101	163,489
Dollarama Inc. (Callable) 2.20% Oct 10, 2022	17,000	17,000	16,252	Fairfax Financial Holdings Limited 4.95% Mar 03, 2025	57,000	56,495	59,867
Dollarama Inc. (Callable) 3.55% Oct 06, 2023	133,000	132,384	132,802	Fairfax Financial Holdings Limited 5.84% Oct 14, 2022	41,000	41,505	44,383
Dollarama Inc. 2.34% Jul 22, 2021	42,000	42,000	41,092	Fairfax Financial Holdings Ltd. 4.25% Dec 06, 2027	97,000	96,992	95,072
Dream Office Real Estate Investment Trust 4.07% Jan 21, 2020	70,000	70,015	70,138	Fédération des caisses Desjardins du Québec 2.09% Jan 17, 2022	166,000	166,000	162,519
Durham District School Board Canada 6.75% Nov 19, 2019	44,000	51,401	45,709	Fédération des Caisses Desjardins du Québec 2.39% Aug 25, 2022	99,000	99,000	97,327
Eagle Credit Card Trust 2.15% Sep 17, 2020	26,000	26,000	25,774	Fédération des Caisses Desjardins du Québec 3.06% Sep 11, 2023	129,000	129,000	129,628
Eagle Credit Card Trust 2.63% Oct 17, 2022	46,000	46,000	45,549	Fifth Avenue LP 4.71% Aug 05, 2021	61,880	68,009	63,567
Eagle Credit Card Trust 3.04% Jul 17, 2023	46,000	46,000	46,100	Finning International Inc. 2.84% Sep 29, 2021	19,000	19,000	18,945
Emera Inc. 4.83% Dec 02, 2019	45,000	48,452	45,825	Finning International Inc. 5.08% Jun 13, 2042	75,000	75,000	84,661
Empire Life Insurance Co, The (Callable) 3.66% Mar 15, 2023	11,000	11,000	11,060	First Capital Realty Inc. (Callable) 3.60% Feb 06, 2026	48,000	49,071	46,524
Empire Life Insurance Company, The (Callable) 3.38% Dec 16, 2021	76,000	76,000	76,129	First Capital Realty Inc. (Callable) 3.75% Apr 12, 2027	30,000	30,000	28,973
Enbridge Gas Distribution Inc. (Callable) 2.50% May 05, 2026	14,000	13,990	13,345	First Capital Realty Inc. 4.32% Jul 31, 2025	69,000	71,635	70,197
Enbridge Gas Distribution Inc. (Callable) 3.15% May 22, 2024	17,000	16,952	17,096	First Capital Realty Inc. 4.43% Jan 31, 2022	28,000	28,167	28,856
Enbridge Gas Distribution Inc. (Callable) 3.31% Jun 11, 2025	93,000	92,968	93,906	First Capital Realty Inc. 4.50% Mar 01, 2021	88,000	88,341	90,466
Enbridge Gas Distribution Inc. (Callable) 3.51% May 29, 2047	39,000	39,000	36,562	First Capital Realty Inc. 4.79% Aug 30, 2024	29,000	29,133	30,380
Enbridge Gas Distribution Inc. (Callable) 4.00% Feb 22, 2044	17,000	16,248	17,279	First National Financial Corporation 4.01% Apr 09, 2020	48,000	47,981	48,213
Enbridge Gas Distribution Inc. (Callable) 4.50% May 23, 2043	33,000	32,978	36,177	First Nations ETF LP 4.14% Dec 31, 2041	76,115	76,115	78,649
Enbridge Gas Distribution Inc. 4.04% Nov 23, 2020	53,000	55,840	54,347	Ford Credit Canada Company 2.71% Feb 23, 2022	162,000	162,000	153,718
Enbridge Gas Distribution Inc. 4.77% Dec 17, 2021	32,000	36,104	33,821	Ford Credit Canada Company 2.77% Jun 22, 2022	62,000	62,000	58,493
Enbridge Gas Distribution Inc. 4.95% Nov 22, 2050	46,000	47,558	54,155	Ford Credit Canada Company 3.35% Sep 19, 2022	148,000	148,000	140,858
Enbridge Gas Distribution Inc. 5.21% Feb 25, 2036	50,000	49,932	58,475	Ford Credit Canada Company 3.74% May 08, 2023	66,000	66,000	63,083
Enbridge Gas Distribution Inc. 6.90% Nov 15, 2032	50,000	62,313	67,027	Ford Credit Canada Ltd. 2.45% May 07, 2020	93,000	93,000	91,565
Enbridge Gas Distribution Inc. 7.60% Oct 29, 2026	70,000	91,571	90,027	Ford Credit Canada Ltd. 2.58% May 10, 2021	147,000	147,000	141,871
Enbridge Inc. (Callable) 3.20% Mar 08, 2027	44,000	43,982	41,895	Ford Credit Canada Ltd. 2.92% Sep 16, 2020	42,000	42,000	41,360
Enbridge Inc. (Callable) 3.94% Mar 30, 2023	88,000	88,000	90,037	Ford Floorplan Auto Securitization Trust 2.20% Jul 15, 2020	69,000	69,000	68,471
Enbridge Inc. (Callable) 3.95% Aug 19, 2024	145,000	145,000	147,955	Fortified Trust 1.67% Jul 23, 2021	108,000	108,000	105,122
Enbridge Inc. (Callable) 4.56% Sep 28, 2063	18,000	17,986	16,265	Fortified Trust 2.16% Oct 23, 2020	145,000	145,000	143,806
Enbridge Inc. (Callable) 4.57% Sep 11, 2043	123,000	125,653	118,627	Fortis Inc. (Callable) 2.85% Oct 12, 2023	70,000	69,987	69,029
Enbridge Inc. (Callable) 4.87% May 21, 2044	73,000	72,931	72,592	Fortis Inc. 6.51% Jul 04, 2039	70,000	69,954	90,756
Enbridge Inc. (Callable) 5.38% Sep 27, 2027	210,000	210,000	194,020	FortisAlberta Inc. (Callable) 3.30% Jun 30, 2024	22,000	21,998	22,450
Enbridge Inc. (Floating Rate) 6.63% Apr 12, 2078	106,000	106,000	106,548	FortisAlberta Inc. (Callable) 3.34% Mar 21, 2046	41,000	40,930	37,727
Enbridge Inc. 3.19% Dec 05, 2022	89,000	90,645	88,769	FortisAlberta Inc. (Callable) 3.67% Mar 09, 2047	48,000	48,000	46,899
Enbridge Inc. 4.24% Aug 27, 2042	93,000	91,344	84,986	FortisAlberta Inc. (Callable) 3.73% Mar 18, 2048	11,000	11,000	10,870
Enbridge Inc. 4.26% Feb 01, 2021	15,000	14,993	15,367	FortisAlberta Inc. (Callable) 4.11% Mar 29, 2044	14,000	13,998	14,667
Enbridge Inc. 4.53% Mar 09, 2020	95,000	94,985	96,865	FortisAlberta Inc. (Callable) 4.27% Mar 22, 2045	13,000	12,985	13,970
Enbridge Inc. 4.85% Feb 22, 2022	25,000	24,969	26,193	FortisAlberta Inc. (Callable) 4.85% Mar 11, 2043	25,000	24,973	29,059
Enbridge Inc. 5.57% Nov 14, 2035	39,000	41,991	42,658	FortisAlberta Inc. 3.98% Oct 23, 2052	30,000	29,982	30,620
Enbridge Inc. 5.75% Sep 02, 2039	23,000	23,206	25,549	FortisAlberta Inc. 4.80% Oct 27, 2050	17,000	16,988	19,877
Enbridge Inc. 6.10% Jul 14, 2028	96,000	82,368	108,102	FortisAlberta Inc. 5.37% Oct 30, 2039	25,000	24,989	30,587
Enbridge Inc. 7.20% Jun 18, 2032	24,000	32,534	30,457	FortisAlberta Inc. 5.40% Apr 21, 2036	18,000	17,987	21,700
Enbridge Pipelines Inc. (Callable) 3.00% May 10, 2026	137,000	136,988	132,402	FortisAlberta Inc. 6.22% Oct 31, 2034	30,000	29,991	38,777
Enbridge Pipelines Inc. (Callable) 3.45% Jun 29, 2025	55,000	54,917	55,106	FortisAlberta Inc. 7.06% Feb 14, 2039	45,000	58,037	65,555
Enbridge Pipelines Inc. (Callable) 3.79% May 17, 2023	60,000	59,980	61,698	FortisBC Energy Inc. (Callable) 2.58% Jan 08, 2026	36,000	35,978	35,021
Enbridge Pipelines Inc. (Callable) 4.13% Feb 09, 2046	33,000	32,989	30,939	FortisBC Energy Inc. (Callable) 3.38% Oct 13, 2044	61,000	61,000	57,179
Enbridge Pipelines Inc. (Callable) 4.55% Feb 17, 2043	58,000	57,962	58,118	FortisBC Energy Inc. (Callable) 3.67% Oct 08, 2045	11,000	10,984	10,843

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
FortisBC Energy Inc. (Callable) 3.78% Sep 06, 2046	32,000	31,961	32,090	Hospital Infrastructure Partners NOH Partnership 5.44% Jan 31, 2045	185,946	192,201	218,554
FortisBC Energy Inc. (Callable) 3.85% Jun 07, 2048	32,000	31,955	32,424	HSBC Bank Canada 2.17% Jun 29, 2022	155,000	155,000	150,624
FortisBC Energy Inc. 3.69% Oct 30, 2047	7,000	6,995	6,902	HSBC Bank Canada 2.54% Jan 31, 2023	298,000	298,000	291,635
FortisBC Energy Inc. 4.25% Dec 09, 2041	31,000	32,004	33,112	HSBC Bank Canada 3.25% Sep 15, 2023	197,000	197,000	197,758
FortisBC Energy Inc. 5.55% Sep 25, 2036	20,000	19,997	24,829	HSBC Bank of Canada 1.82% Jul 07, 2020	147,000	146,994	145,027
FortisBC Energy Inc. 5.80% May 13, 2038	35,000	36,853	44,737	HSBC Bank of Canada 2.45% Jan 29, 2021	226,000	226,002	224,203
FortisBC Energy Inc. 5.90% Feb 26, 2035	75,000	86,067	95,040	HSBC Bank of Canada 2.91% Sep 29, 2021	273,000	273,000	272,850
FortisBC Energy Inc. 6.05% Feb 15, 2038	35,000	34,976	45,761	HSBC Bank of Canada 2.94% Jan 14, 2020	150,000	150,000	150,531
FortisBC Inc. (Callable) 4.00% Apr 28, 2044	31,000	30,979	31,683	Husky Energy Inc. (Callable) 3.55% Dec 12, 2024	76,000	75,765	74,774
FortisBC Inc. 5.00% Nov 24, 2050	15,000	14,974	17,969	Husky Energy Inc. (Callable) 3.60% Dec 10, 2026	95,000	94,795	91,313
FortisBC Inc. 5.60% Nov 09, 2035	16,000	19,261	19,593	Husky Energy Inc. 5.00% Mar 12, 2020	105,000	105,798	107,513
Gaz Metro Inc. (Callable) 3.28% Apr 09, 2046	12,000	11,982	11,091	Hydro One Inc. (Callable) 2.77% Nov 26, 2025	99,000	98,965	96,433
Gaz Metro Inc. (Callable) 3.30% Sep 30, 2044	8,000	7,992	7,424	Hydro One Inc. (Callable) 2.97% Apr 26, 2025	39,000	38,988	38,661
Gaz Metro Inc. 1.52% May 25, 2020	40,000	39,986	39,491	Hydro One Inc. (Callable) 3.63% Dec 25, 2048	47,000	46,992	44,670
Gaz Metro Inc. 5.45% Jul 12, 2021	66,000	76,816	70,604	Hydro One Inc. (Callable) 3.72% May 18, 2047	84,000	84,000	81,463
Gaz Metro Inc. 5.70% Jul 10, 2036	29,000	28,954	36,372	Hydro One Inc. (Callable) 3.91% Aug 23, 2045	11,000	10,985	11,014
Gaz Metro Inc. 6.30% Oct 31, 2033	30,000	29,824	39,070	Hydro One Inc. (Callable) 4.17% Dec 06, 2043	71,000	70,928	73,992
Gaz Metro Inc., Series U (Callable) 3.53% Nov 16, 2046	50,000	49,945	48,233	Hydro One Inc. (Callable) 4.59% Apr 09, 2043	48,000	47,992	53,227
GE Capital Canada Funding Company 4.60% Jan 26, 2022	147,000	146,965	148,012	Hydro One Inc. 1.62% Apr 30, 2020	66,000	65,993	65,215
General Motors Financial of Canada Ltd. 2.60% Jun 01, 2022	117,000	116,879	112,314	Hydro One Inc. 1.84% Feb 24, 2021	80,000	79,985	78,620
General Motors Financial of Canada Ltd. 3.00% Feb 26, 2021	140,000	139,964	138,459	Hydro One Inc. 2.57% Jun 25, 2021	23,000	22,997	22,926
General Motors Financial of Canada Ltd. 3.08% May 22, 2020	117,000	116,952	116,728	Hydro One Inc. 3.20% Jan 13, 2022	119,000	119,795	120,295
Genesis Trust II 1.70% Apr 15, 2020	172,000	172,000	170,228	Hydro One Inc. 3.79% Jul 31, 2062	73,000	72,788	69,875
Genworth MI Canada Inc. 4.24% Apr 01, 2024	120,000	120,000	121,394	Hydro One Inc. 4.00% Dec 22, 2051	38,000	38,006	38,301
George Weston Limited (Callable) 4.12% Mar 17, 2024	58,000	58,000	59,002	Hydro One Inc. 4.40% Jun 01, 2020	110,000	113,740	112,766
George Weston Limited 7.10% Feb 05, 2032	25,000	28,165	30,833	Hydro One Inc. 4.89% Mar 13, 2037	50,000	55,732	56,686
Glacier Credit Card Trust 2.05% Sep 20, 2022	116,000	116,000	112,313	Hydro One Inc. 5.00% Oct 19, 2046	35,000	34,126	41,594
Glacier Credit Card Trust 2.24% Sep 20, 2020	133,000	133,000	132,025	Hydro One Inc. 5.36% May 20, 2036	99,000	113,144	117,842
Glacier Credit Card Trust 3.14% Sep 20, 2023	90,000	90,000	90,441	Hydro One Inc. 5.49% Jul 16, 2040	51,000	52,799	62,819
Grand Renewable Solar LP 3.93% Jan 31, 2035	28,697	28,697	28,753	Hydro One Inc. 6.35% Jan 31, 2034	20,000	20,151	25,789
GrandLinq GP 4.77% Mar 31, 2047	23,470	23,470	25,151	Hydro One Inc. 6.93% Jun 01, 2032	115,000	138,865	153,020
Granite REIT Holdings LP (Callable) 3.79% Jun 05, 2021	58,000	58,000	58,631	Hydro One Inc. 7.35% Jun 03, 2030	135,000	156,842	183,311
Granite REIT Holdings LP (Callable) 3.87% Sep 30, 2023	61,000	61,001	61,251	Hydro Ottawa Holding Inc. (Callable) 2.61% Nov 03, 2024	55,000	55,000	53,610
Greater Toronto Airports Authority (Callable) 3.04% Jun 21, 2022	55,000	54,995	55,777	Hydro Ottawa Holding Inc. (Callable) 3.99% Nov 14, 2042	65,000	65,000	66,083
Greater Toronto Airports Authority 1.51% Feb 16, 2021	43,000	42,996	42,104	Hydro-Quebec 10.50% Oct 15, 2021	259,000	410,689	316,305
Greater Toronto Airports Authority 3.26% Jun 01, 2037	47,000	46,968	45,535	Hydro-Quebec 11.00% Aug 15, 2020	350,000	557,550	399,556
Greater Toronto Airports Authority 4.53% Dec 02, 2041	99,000	100,093	113,953	Hydro-Quebec 4.00% Feb 15, 2055	318,000	370,294	378,386
Greater Toronto Airports Authority 5.30% Feb 25, 2041	75,000	85,505	94,629	Hydro-Quebec 5.00% Feb 15, 2045	210,000	224,588	278,180
Greater Toronto Airports Authority 5.63% Jun 07, 2040	65,000	64,934	85,093	Hydro-Quebec 5.00% Feb 15, 2050	245,000	292,480	335,028
Greater Toronto Airports Authority 6.45% Dec 03, 2027	49,000	51,685	62,188	Hydro-Quebec 6.00% Aug 15, 2031	40,000	37,938	52,682
Greater Toronto Airports Authority 6.47% Feb 02, 2034	75,000	74,487	100,915	Hydro-Quebec 6.00% Feb 15, 2040	156,000	181,788	223,986
Greater Toronto Airports Authority 6.98% Oct 15, 2032	80,000	113,240	111,396	Hydro-Quebec 6.50% Feb 15, 2035	353,000	472,496	504,391
Greater Toronto Airports Authority 7.05% Jun 12, 2030	108,000	132,143	146,790	Hydro-Quebec 9.63% Jul 15, 2022	153,000	227,024	190,734
Greater Toronto Airports Authority 7.10% Jun 04, 2031	99,000	116,897	136,571	I&M Financial Inc. (Callable) 3.44% Oct 26, 2026	81,000	80,946	80,220
Great-West Lifeco Inc. 3.34% Feb 28, 2028	104,000	104,000	104,519	I&M Financial Inc. (Callable) 4.12% Jun 09, 2047	38,000	38,000	36,196
Great-West Lifeco Inc. 4.65% Aug 13, 2020	93,000	97,400	95,959	I&M Financial Inc. (Callable) 4.17% Jan 13, 2048	34,000	34,000	32,761
Great-West Lifeco Inc. 6.00% Nov 16, 2039	50,000	53,393	64,077	I&M Financial Inc. (Callable) 4.56% Jul 25, 2046	16,000	16,000	16,398
Great-West Lifeco Inc. 6.67% Mar 21, 2033	65,000	72,804	84,890	I&M Financial Inc. 7.11% Mar 07, 2033	50,000	50,229	64,683
H&R Real Estate Investment Trust (Callable) 3.37% Nov 30, 2023	64,000	64,044	62,155	I&M Financial Inc. 7.45% May 09, 2031	60,000	63,120	78,572
H&R Real Estate Investment Trust (Callable) 3.42% Dec 23, 2022	61,000	61,000	60,047	Industrial Alliance Insurance & Financial Services Inc. (Callable) 2.64% Feb 23, 2022	138,000	137,966	136,092
H&R Real Estate Investment Trust 2.92% May 06, 2022	21,000	21,020	20,545	Industrial Alliance Insurance & Financial Services Inc. (Callable) 3.30% Sep 15, 2023	23,000	22,994	23,057
H&R Real Estate Investment Trust 4.45% Mar 02, 2050	90,000	90,063	91,518	InPower BC General Partnership 4.47% Mar 31, 2033	119,000	118,284	125,269
Halifax International Airport Authority 4.89% Nov 15, 2020	48,000	47,999	59,947	Intact Financial Corporation (Callable) 2.85% Mar 07, 2027	68,000	67,988	64,806
Halifax International Airport Authority 5.50% Jul 19, 2041	23,000	26,838	29,819	Intact Financial Corporation (Callable) 3.77% Dec 02, 2025	28,000	27,995	28,723
HCN Canadian Holdings-1 LP 3.35% Nov 25, 2020	38,000	37,901	38,228	Intact Financial Corporation 4.70% Aug 18, 2021	40,000	41,116	41,888
Health Montreal Collective LP 6.72% Sep 30, 2049	300,000	359,400	385,750	Intact Financial Corporation 5.16% Jun 16, 2042	52,000	51,953	59,409
Honda Canada Finance Inc. 1.82% Dec 07, 2021	46,000	46,000	44,606	Intact Financial Corporation 6.40% Nov 23, 2039	59,000	61,785	77,786
Honda Canada Finance Inc. 2.16% Feb 18, 2021	72,000	72,000	71,038	Integrated Team Solutions PCH Partnership 4.88% May 31, 2046	29,328	29,328	33,611
Honda Canada Finance Inc. 2.27% Jul 15, 2022	69,000	69,000	67,326	Integrated Team Solutions SJHC Partnership 5.95% Nov 30, 2042	46,854	46,854	57,823
Honda Canada Finance Inc. 2.49% Dec 19, 2022	112,000	112,000	109,639	Inter Pipeline Ltd. (Callable) 2.61% Jul 13, 2023	29,000	29,000	27,811
Honda Canada Finance Inc. 2.54% Mar 01, 2023	83,000	83,000	81,279	Inter Pipeline Ltd. (Callable) 2.73% Feb 18, 2024	89,000	89,000	84,843
Honda Canada Finance Inc. 3.18% Aug 28, 2023	63,000	63,000	63,159	Inter Pipeline Ltd. (Callable) 3.17% Dec 24, 2024	45,000	45,000	43,386
Honda Canada Finance Inc. 3.44% May 23, 2025	39,000	39,000	39,356	Inter Pipeline Ltd. (Callable) 3.48% Sep 16, 2026	27,000	27,000	25,992
Hospital for Sick Children 5.22% Dec 16, 2049	150,000	150,000	193,869				
Hospital for Sick Children, The (Callable) 3.42% Jun 07, 2057	41,000	41,000	39,628				

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Inter Pipeline Ltd. (Callable) 4.64% Nov 30, 2043	60,000	60,000	56,894	Metro Inc., Series G (Callable) 3.39% Sep 06, 2027	104,000	103,939	99,584
Inter Pipeline Ltd. 3.45% Jul 20, 2020	103,000	103,000	103,785	Metro Inc., Series H (Callable) 4.27% Jun 04, 2047	79,000	78,920	73,521
Inter Pipeline Ltd. 3.78% May 30, 2022	88,000	88,000	89,110	Milit-Air Inc. 5.75% Jun 30, 2019	3,166	3,000	3,217
Inter Pipeline Ltd. 4.97% Feb 02, 2021	125,000	125,000	129,590	Morguard Corporation (Callable) 4.33% Aug 15, 2022	37,000	37,000	37,106
Inter-American Development Bank 1.88% Mar 20, 2020	65,000	64,795	64,932	Morguard Corporation 4.01% Nov 18, 2020	63,000	63,000	63,332
Inter-American Development Bank 4.40% Jan 26, 2026	464,000	509,623	514,166	Morguard Corporation 4.09% May 14, 2021	20,000	20,000	20,032
International Bank for Reconstruction & Development 2.25% Jan 17, 2023	137,000	136,223	136,915	Muskat Falls / Labrador Transmission Assets Funding Trust 3.63% Jun 01, 2029	43,000	43,731	46,841
Ivanhoe Cambridge II Inc. (Callable) 2.91% May 27, 2023	90,000	90,000	89,981	Muskat Falls / Labrador Transmission Assets Funding Trust 3.83% Jun 01, 2037	86,000	87,758	98,342
John Deere Canada Funding Inc. 1.60% Jul 13, 2020	39,000	38,949	38,419	Muskat Falls / Labrador Transmission Assets Funding Trust 3.86% Dec 01, 2048	229,000	233,933	263,645
John Deere Canada Funding Inc. 1.85% Mar 24, 2021	24,000	23,998	23,547	National Bank of Canada (Callable) 3.18% Feb 01, 2023	161,000	161,000	157,299
John Deere Canada Funding Inc. 2.05% May 13, 2022	106,000	105,915	103,354	National Bank of Canada 1.74% Mar 03, 2020	196,000	196,296	194,304
John Deere Canada Funding Inc. 2.05% Sep 17, 2020	36,000	35,976	35,647	National Bank of Canada 1.81% Jul 26, 2021	107,000	107,000	104,528
John Deere Canada Funding Inc. 2.63% Sep 21, 2022	29,000	28,988	28,732	National Bank of Canada 1.96% Jun 30, 2022	144,000	142,980	139,723
John Deere Canada Funding Inc. 2.70% Jan 17, 2023	68,000	67,987	67,500	National Bank of Canada 2.11% Mar 18, 2022	217,000	217,000	212,221
John Deere Canada Funding Inc. 2.70% Oct 12, 2021	63,000	62,967	62,836	NAV Canada (Callable) 3.29% Sep 30, 2047	20,000	20,000	19,311
John Deere Canada Funding Inc. 3.02% Jul 13, 2023	38,000	37,998	38,125	NAV Canada (Callable) 3.53% Aug 23, 2045	31,000	31,000	31,458
Keyera Corporation (Callable) 3.93% Mar 21, 2028	78,000	78,000	76,822	NAV Canada 4.40% Feb 18, 2021	20,000	20,000	20,749
Kingston Solar LP 3.57% Jul 31, 2035	116,014	116,014	113,122	NAV Canada 7.40% Jun 01, 2027	30,000	33,804	39,769
Kraft Canada Inc. (Callable) 2.70% Jun 06, 2020	55,000	55,039	54,854	NAV Canada 7.56% Mar 01, 2027	76,050	94,377	89,648
Labrador-Island Link Funding Trust 3.76% Jun 01, 2033	78,000	79,441	86,692	NBC Asset Trust (Callable) 7.45% Jun 30, 2020	300,000	317,910	318,333
Labrador-Island Link Funding Trust 3.85% Dec 01, 2053	193,000	196,217	224,850	New Brunswick F-M Project Company Inc. 6.47% Nov 30, 2027	25,956	32,837	29,698
Labrador-Island Link Funding Trust 3.86% Dec 01, 2045	86,000	87,932	99,945	Newfoundland and Labrador Hydro 3.60% Dec 01, 2045	88,000	85,806	89,075
Laurentian Bank of Canada 2.50% Jan 23, 2020	69,000	69,366	68,716	Newfoundland and Labrador Hydro 6.65% Aug 27, 2031	130,000	129,799	175,115
Laurentian Bank of Canada 2.75% Apr 22, 2021	80,000	79,830	79,049	Nissan Canada Financial Services Inc. 1.58% Oct 07, 2019	32,000	32,000	31,736
Laurentian Bank of Canada 3.00% Sep 12, 2022	66,000	65,884	64,688	Nissan Canada Financial Services Inc. 1.75% Apr 09, 2020	49,000	49,000	48,323
Laurentian Bank of Canada 3.45% Jun 27, 2023	66,000	65,976	65,312	Nissan Canada Financial Services Inc. 2.42% Oct 19, 2020	70,000	70,000	69,248
Leisureworld Senior Care LP, Restricted, 3.47% Feb 03, 2021	24,000	24,000	24,253	Nissan Canada Financial Services Inc. 2.61% Mar 05, 2021	62,000	62,000	61,331
Loblaws Companies Limited (Callable) 4.86% Jun 12, 2023	122,000	122,000	128,872	Nissan Canada Financial Services Inc. 3.15% Sep 14, 2021	58,000	58,000	57,991
Loblaws Companies Limited 5.90% Jan 18, 2036	60,000	59,915	68,393	North Battleford Power LP 4.96% Dec 31, 2032	119,477	119,486	130,950
Loblaws Companies Limited 6.15% Jan 29, 2035	40,000	41,844	46,566	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.10% Jan 23, 2022	52,000	51,895	50,558
Loblaws Companies Limited 6.45% Mar 01, 2039	45,000	48,983	54,833	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 2.80% Mar 01, 2027	39,000	38,898	36,963
Loblaws Companies Limited 6.50% Jan 22, 2029	45,000	55,341	53,091	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Apr 23, 2024	172,000	171,737	171,522
Loblaws Companies Limited 6.54% Feb 17, 2033	44,000	51,097	52,630	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.20% Jan 24, 2026	82,000	81,825	80,824
Loblaws Companies Limited 6.65% Nov 08, 2027	15,000	14,720	17,807	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.65% Dec 01, 2034	95,000	96,454	91,104
Loblaws Companies Limited 6.85% Mar 01, 2032	20,000	21,554	24,431	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 3.70% Aug 23, 2042	59,000	58,786	54,852
Loblaws Companies Ltd. (Callable) 3.92% May 10, 2024	80,000	80,000	81,461	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.05% Jan 24, 2044	93,000	92,351	91,336
Loblaws Companies Ltd. (Callable) 4.49% Sep 11, 2028	65,000	65,000	67,042	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.15% Dec 01, 2032	64,000	63,838	65,367
Lower Mattagami Energy LP 2.31% Oct 21, 2026	14,000	14,000	13,241	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.25% Mar 01, 2029	93,000	92,741	97,068
Lower Mattagami Energy LP 3.42% Jun 20, 2024	42,000	42,000	43,138	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.35% Jul 10, 2038	99,000	98,558	101,608
Lower Mattagami Energy LP 4.18% Apr 23, 2052	64,000	64,000	67,770	North West Redwater Partnership / NWR Financing Co., Ltd. (Callable) 4.75% Dec 01, 2036	75,000	76,970	80,988
Lower Mattagami Energy LP 4.33% May 18, 2021	72,000	76,375	74,742	Northland Power Solar Finance One LP 4.40% Jun 30, 2032	35,654	35,659	37,098
Lower Mattagami Energy LP 5.14% May 18, 2041	41,000	41,000	49,558	Nouvelle Autoroute 30 Financement Inc. 3.74% Dec 31, 2032	6,000	6,000	6,087
Magna International Inc. (Callable) 3.10% Nov 15, 2022	35,000	34,995	34,910	Nouvelle Autoroute 30 Financement Inc. 3.75% Mar 31, 2033	7,000	7,000	7,150
Manufacturers Life Insurance Company, The (Callable) 2.10% Jun 01, 2020	107,000	106,996	105,927	Nouvelle Autoroute 30 Financement Inc. 4.11% Mar 31, 2042	23,000	23,000	23,435
Manufacturers Life Insurance Company, The (Callable) 2.39% Jan 05, 2021	53,000	52,999	52,451	Nouvelle Autoroute 30 Financement Inc. 4.12% Jun 30, 2042	20,000	20,000	20,327
Manufacturers Life Insurance Company, The (Callable) 2.64% Jan 15, 2020	141,000	140,996	140,930	Nova Gas Transmission Ltd. 9.90% Dec 16, 2024	15,000	19,238	20,080
Manufacturers Life Insurance Company, The (Callable) 3.18% Nov 22, 2022	138,000	138,000	138,455	Nova Scotia Power Inc. (Callable) 3.61% Nov 01, 2044	21,000	21,000	19,724
Manulife Bank of Canada 1.92% Sep 01, 2021	33,000	33,000	32,211	Nova Scotia Power Inc. (Callable) 4.50% Jan 20, 2043	38,000	37,771	40,988
Manulife Bank of Canada 2.08% May 26, 2022	62,000	62,000	60,285	Nova Scotia Power Inc. 4.15% Mar 06, 2042	45,000	44,962	46,322
Manulife Bank of Canada 2.84% Jan 12, 2023	30,000	30,000	29,763	Nova Scotia Power Inc. 5.61% Jun 15, 2040	35,000	42,274	43,354
Manulife Finance Delaware LP (Callable) 5.06% Dec 15, 2036	115,000	104,999	123,842	Nova Scotia Power Inc. 5.67% Nov 14, 2035	43,000	47,032	52,155
Manulife Financial Capital Trust II (Callable) 7.41% Dec 31, 2019	150,000	160,459	156,295				
Manulife Financial Corporation (Callable) 3.05% Aug 20, 2024	74,000	74,000	72,179				
Manulife Financial Corporation (Callable) 3.32% May 09, 2023	132,000	132,000	131,410				
Maritime Link Financing Trust 3.50% Dec 01, 2052	406,000	404,624	424,797				
MCAP Commercial LP 5.00% Dec 14, 2022	26,000	26,000	25,936				
McGill University (Callable) 3.98% Jul 29, 2055	11,000	11,000	11,892				
McGill University Health Centre 5.36% Dec 31, 2043	93,000	92,959	117,836				
McMaster University (Callable) 4.11% May 26, 2065	18,000	18,000	19,496				
McMaster University 6.15% Oct 07, 2052	20,000	19,981	30,331				
Melancthon Wolfe Wind LP 3.83% Dec 31, 2028	71,418	71,427	71,811				
Metro Inc. (Callable) 3.20% Nov 01, 2021	61,000	60,993	61,102				
Metro Inc. (Callable) 5.03% Jun 01, 2044	42,000	41,981	43,881				
Metro Inc. 5.97% Oct 15, 2035	40,000	41,274	46,387				
Metro Inc., Series F (Callable) 2.68% Nov 05, 2022	90,000	89,996	87,964				

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
Nova Scotia Power Inc. 5.95% Jul 27, 2039	26,000	30,970	33,177	Rogers Communications Inc. 4.00% Jun 06, 2022	99,000	98,604	101,563
Nova Scotia Power Inc. 6.95% Aug 25, 2033	40,000	42,157	54,064	Rogers Communications Inc. 4.70% Sep 29, 2020	145,000	147,909	149,433
OMERS Realty Corporation (Callable) 1.82% Apr 09, 2022	81,000	81,000	78,538	Rogers Communications Inc. 5.34% Mar 22, 2021	215,000	224,800	225,556
OMERS Realty Corporation (Callable) 2.86% Jan 23, 2024	88,000	88,000	87,788	Rogers Communications Inc. 6.68% Nov 04, 2039	65,000	67,519	81,425
OMERS Realty Corporation (Callable) 3.24% Jul 04, 2027	100,000	100,000	100,510	Royal Bank of Canada 1.58% Sep 13, 2021	249,000	249,000	241,513
OMERS Realty Corporation (Callable) 3.33% Apr 05, 2025	81,000	81,000	82,308	Royal Bank of Canada 1.59% Mar 23, 2020	142,000	141,980	140,716
OMERS Realty Corporation (Callable) 3.63% Mar 05, 2030	78,000	78,000	79,853	Royal Bank of Canada 1.65% Jul 15, 2021	230,000	229,933	223,930
OMERS Realty Corporation 3.33% Nov 12, 2024	59,000	59,000	60,062	Royal Bank of Canada 1.92% Jul 17, 2020	424,000	424,000	419,978
OMERS Realty Corporation 3.36% Jun 05, 2023	75,000	75,000	76,503	Royal Bank of Canada 1.97% Mar 02, 2022	495,000	495,000	482,754
Ontario Electricity Financial Corporation 10.00% Feb 06, 2020	100,000	137,618	108,579	Royal Bank of Canada 2.00% Mar 21, 2022	363,000	362,946	354,051
Ontario Electricity Financial Corporation 10.13% Oct 15, 2021	113,000	181,665	136,713	Royal Bank of Canada 2.03% Mar 15, 2021	483,000	482,816	476,332
Ontario Electricity Financial Corporation 10.75% Aug 06, 2021	11,000	18,216	13,333	Royal Bank of Canada 2.33% Dec 05, 2023	372,000	372,000	361,928
Ontario Electricity Financial Corporation 8.25% Jun 22, 2026	205,000	299,097	279,189	Royal Bank of Canada 2.36% Dec 05, 2022	231,000	230,979	226,733
Ontario Electricity Financial Corporation 8.50% May 26, 2025	155,000	194,424	206,838	Royal Bank of Canada 2.95% May 01, 2023	275,000	275,000	275,614
Ontario Electricity Financial Corporation 8.90% Aug 18, 2022	236,000	326,413	288,648	Royal Bank of Canada 3.30% Sep 26, 2023	100,000	100,000	100,461
Ontario Power Generation Inc. (Callable) 3.32% Jul 04, 2027	87,000	87,000	86,603	Royal Bank of Canada 4.93% Jul 16, 2025	150,000	162,873	166,946
Ontario Power Generation Inc. (Callable) 3.84% Dec 22, 2047	72,000	72,000	68,489	Royal Office Finance LP 5.21% Nov 12, 2032	280,792	284,267	330,669
Ontario School Boards Financing Corporation 5.90% Jun 02, 2033	135,000	134,906	174,316	Ryerson University (Callable) 3.77% Apr 11, 2057	20,000	20,000	20,765
OPB Finance Trust 2.95% Feb 02, 2026	30,000	29,984	30,154	Saputo Inc. (Callable) 1.94% May 13, 2022	78,000	78,000	74,793
Original Wempi Inc. 4.06% Feb 13, 2024	69,034	69,034	70,092	Saputo Inc. (Callable) 2.83% Sep 21, 2023	95,000	95,000	92,329
Original Wempi Inc. 4.31% Feb 13, 2024	52,000	52,000	53,190	Saputo Inc. (Callable) 3.60% Jun 14, 2025	79,000	79,000	78,665
Ornge Issuer Trust 5.73% Jun 11, 2034	113,979	121,710	137,394	Saputo Inc. 2.20% Jun 23, 2021	24,000	24,000	23,522
Ottawa MacDonald-Cartier International Airport Authority (Callable) 3.93% Dec 09, 2044	49,000	49,000	50,364	Sea To Sky Highway Investment LP 2.63% Aug 31, 2030	70,509	70,506	68,124
Pembina Pipeline Corporation (Callable) 2.99% Nov 22, 2023	94,000	93,633	91,423	SEC LP and Arci Ltd. 5.19% Aug 29, 2033	82,552	94,521	86,340
Pembina Pipeline Corporation (Callable) 3.54% Nov 03, 2024	46,000	45,981	45,505	SGTP Highway Bypass LP 4.11% Jan 31, 2045	45,000	44,999	46,850
Pembina Pipeline Corporation (Callable) 3.71% May 11, 2026	14,000	13,994	13,825	SGTP Highway Bypass LP 4.16% Jul 31, 2049	24,000	23,999	25,316
Pembina Pipeline Corporation (Callable) 4.02% Dec 27, 2027	45,000	44,996	44,743	Shaw Communications Inc. (Callable) 3.80% Dec 01, 2026	29,000	28,970	28,408
Pembina Pipeline Corporation (Callable) 4.24% Mar 15, 2027	93,000	92,992	94,625	Shaw Communications Inc. (Callable) 3.80% Oct 02, 2023	131,000	130,999	131,851
Pembina Pipeline Corporation (Callable) 4.74% Jul 21, 2046	71,000	70,205	68,150	Shaw Communications Inc. (Callable) 4.40% Aug 02, 2028	72,000	71,797	72,165
Pembina Pipeline Corporation (Callable) 4.75% Oct 30, 2042	66,000	65,141	63,208	Shaw Communications Inc. 3.15% Feb 19, 2021	32,000	31,964	32,000
Pembina Pipeline Corporation (Callable) 4.75% Sep 26, 2047	42,000	41,973	40,283	Shaw Communications Inc. 5.50% Dec 07, 2020	98,000	100,971	102,472
Pembina Pipeline Corporation (Callable) 4.81% Mar 25, 2043	70,000	69,935	67,573	Shaw Communications Inc. 6.75% Nov 09, 2039	234,000	232,782	279,101
Pembina Pipeline Corporation 3.77% Oct 24, 2022	50,000	49,992	50,622	Simon Fraser University 5.61% Jun 10, 2043	50,000	49,999	65,410
Pembina Pipeline Corporation 4.89% Mar 29, 2021	24,000	25,660	24,888	Sinai Health System (Callable) 3.53% Dec 09, 2055	37,000	36,999	35,867
Penske Truck Leasing Canada Inc. (Callable) 2.85% Nov 07, 2022	34,000	33,998	33,382	Smart Real Estate Investment Trust (Callable) 2.99% Jul 28, 2024	23,000	23,031	21,923
Penske Truck Leasing Canada Inc. 2.95% Jun 12, 2020	62,000	61,980	62,101	Smart Real Estate Investment Trust (Callable) 3.44% May 28, 2026	46,000	46,062	43,788
Plenary Health Care Partnerships Humber LP 4.82% Nov 30, 2044	74,000	74,596	85,351	Smart Real Estate Investment Trust 2.88% Mar 21, 2022	24,000	24,002	23,570
Plenary Health Care Partnerships Humber LP 4.90% May 31, 2039	120,326	120,326	132,978	Smart Real Estate Investment Trust 3.56% Feb 06, 2025	55,000	55,226	53,757
Plenary Health Hamilton LP 5.80% May 31, 2043	79,056	79,056	95,759	Smart Real Estate Investment Trust 3.73% Jul 22, 2022	34,000	34,098	34,234
Plenary Properties LTAP LP 6.29% Jan 31, 2044	159,803	184,872	205,631	Smart Real Estate Investment Trust 4.05% Jul 27, 2020	28,000	28,046	28,437
Power Corporation of Canada (Callable) 4.46% Jan 27, 2048	12,000	12,000	12,060	SmartCentres Real Estate Investment Trust (Callable) 3.83% Sep 21, 2027	51,000	51,000	49,104
Power Corporation of Canada 8.57% Apr 22, 2039	25,000	24,981	38,048	SNC-Lavalin Group Inc. (Callable) 3.24% Feb 02, 2023	41,000	41,000	40,411
Power Financial Corporation 6.90% Mar 11, 2033	40,000	47,371	51,907	SNC-Lavalin Group Inc. 2.69% Nov 24, 2020	71,000	71,000	70,439
PSP Capital Inc. 1.73% Jun 21, 2022	306,000	306,000	299,968	Société en Commandite ce Sebastopol 4.14% Jul 31, 2047	33,875	33,875	33,437
PSP Capital Inc. 2.09% Nov 22, 2023	152,000	151,980	149,310	South Coast British Columbia Transportation Authority 3.05% Jun 04, 2025	37,000	36,839	37,576
PSP Capital Inc. 3.00% Nov 05, 2025	242,000	241,620	247,050	SSL Finance Inc. / SSL Financement Inc. 4.10% Oct 31, 2045	144,000	144,000	150,151
PSP Capital Inc. 3.03% Oct 22, 2020	191,000	191,381	194,173	SSL Finance Inc. 4.18% Apr 30, 2049	47,000	47,000	48,781
PSP Capital Inc. 3.29% Apr 04, 2024	150,000	153,115	155,651	Sun Life Capital Trust II (Callable) 5.86% Dec 31, 2019	150,000	152,567	154,262
PSP Capital Inc., Series B 1.34% Aug 18, 2021	198,000	197,943	193,716	Sun Life Financial Inc. (Callable) 2.60% Sep 25, 2020	89,000	88,942	88,582
PSS Generating Station LP 4.80% Oct 24, 2067	32,000	32,000	36,604	Sun Life Financial Inc. (Callable) 2.75% Nov 23, 2022	18,000	17,992	17,713
Reliance LP (Callable) 3.84% Jan 15, 2025	41,000	40,999	40,317	Sun Life Financial Inc. (Callable) 3.05% Sep 19, 2023	142,000	141,796	140,585
Reliance LP 3.81% Sep 15, 2020	38,000	38,001	38,412	Sun Life Financial Inc. (Callable) 3.10% Feb 19, 2021	74,000	73,915	74,224
Reliance LP 4.08% Aug 02, 2021	30,000	30,000	30,483	Sun Life Financial Inc. (Callable) 5.40% May 29, 2037	102,000	95,457	117,368
RioCan Real Estate Investment Trust (Callable) 3.21% Aug 29, 2023	67,000	66,997	65,775	Suncor Energy Inc. (Callable) 3.00% Jun 14, 2026	137,000	136,659	132,643
RioCan Real Estate Investment Trust 2.19% Apr 09, 2021	64,000	64,000	62,718	Suncor Energy Inc. (Callable) 3.10% Oct 26, 2021	168,000	167,434	168,683
RioCan Real Estate Investment Trust 2.19% Aug 26, 2020	50,000	50,000	49,379	Suncor Energy Inc. (Callable) 4.34% Mar 13, 2046	24,000	23,976	24,119
RioCan Real Estate Investment Trust 2.83% Oct 03, 2022	25,000	24,999	24,444	Suncor Energy Inc. 5.39% Mar 26, 2037	95,000	100,320	108,457
RioCan Real Estate Investment Trust 3.29% Feb 12, 2024	57,000	57,009	55,901	Sysco Canada Inc. (Callable) 3.65% Feb 25, 2025	79,000	78,970	79,370
RioCan Real Estate Investment Trust 3.62% Jun 01, 2020	69,000	69,135	69,679	TCHC Issuer Trust 4.88% May 11, 2037	50,000	50,000	58,476
RioCan Real Estate Investment Trust 3.73% Apr 18, 2023	10,000	10,018	10,060	TD Capital Trust IV (Callable) 10.00% Jun 30, 2039	110,000	104,544	132,489
RioCan Real Estate Investment Trust 3.75% May 30, 2022	39,000	39,136	39,447	TD Capital Trust IV (Callable) 6.63% Jun 30, 2021	191,000	210,263	207,091
Rogers Communications Inc. (Callable) 4.00% Dec 13, 2023	92,000	91,730	94,380	TD Capital Trust IV (Callable) 9.52% Jun 30, 2019	174,000	221,749	179,641
Rogers Communications Inc. (Callable) 6.11% Feb 25, 2040	119,000	119,873	140,345	TELUS Communications Inc. 10.65% Jun 19, 2021	32,000	41,509	37,608
Rogers Communications Inc. (Callable) 6.56% Sep 22, 2040	70,000	77,605	86,917	TELUS Communications Inc. 9.65% Apr 08, 2022	290,000	400,406	345,549
				TELUS Corporation (Callable) 2.35% Feb 28, 2022	133,000	132,642	129,839

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Corporate Bonds (cont'd)				Corporate Bonds (cont'd)			
TELUS Corporation (Callable) 3.20% Mar 05, 2021	40,000	39,896	40,179	TransCanada Pipelines Ltd. 7.90% Apr 15, 2027	75,000	102,697	96,309
TELUS Corporation (Callable) 3.35% Jan 02, 2024	115,000	114,350	114,471	TransCanada Pipelines Ltd. 8.05% Feb 17, 2039	50,000	68,023	71,152
TELUS Corporation (Callable) 3.63% Dec 01, 2027	58,000	57,390	56,879	TransCanada Pipelines Ltd. 8.23% Jan 16, 2031	120,000	140,932	162,028
TELUS Corporation (Callable) 3.75% Dec 10, 2025	64,000	63,497	64,303	TransEd Partners GP 3.95% Sep 30, 2050	84,000	77,692	79,638
TELUS Corporation (Callable) 3.75% Oct 17, 2024	90,000	89,798	90,952	Trillium Windpower LP 5.80% Feb 15, 2033	51,912	51,912	58,583
TELUS Corporation (Callable) 4.40% Jul 29, 2045	19,000	18,995	17,679	Union Gas Ltd. (Callable) 2.76% May 02, 2021	70,000	69,978	70,075
TELUS Corporation (Callable) 4.40% Oct 01, 2042	105,000	104,756	98,269	Union Gas Ltd. (Callable) 2.81% Mar 01, 2026	26,000	26,000	25,313
TELUS Corporation (Callable) 4.70% Sep 06, 2047	69,000	69,176	67,348	Union Gas Ltd. (Callable) 2.88% Aug 22, 2027	38,000	37,974	36,862
TELUS Corporation (Callable) 4.75% Jul 17, 2044	45,000	44,681	44,269	Union Gas Ltd. (Callable) 3.19% Jun 17, 2025	47,000	46,980	47,194
TELUS Corporation (Callable) 4.85% Oct 05, 2043	115,000	113,851	114,954	Union Gas Ltd. (Callable) 3.59% May 22, 2047	34,000	33,944	32,129
TELUS Corporation (Callable) 5.15% May 26, 2043	91,000	90,545	94,697	Union Gas Ltd. (Callable) 3.79% Apr 10, 2023	21,000	20,993	21,757
TELUS Corporation 5.05% Jul 23, 2020	175,000	190,264	181,007	Union Gas Ltd. (Callable) 3.80% Dec 01, 2045	47,000	46,975	46,169
Teranet Holdings LP (Callable) 3.65% Oct 18, 2022	18,000	18,000	17,942	Union Gas Ltd. (Callable) 4.20% Dec 02, 2043	60,000	59,422	62,910
Teranet Holdings LP 4.81% Dec 16, 2020	95,000	95,457	97,717	Union Gas Ltd. (Callable) 4.88% Dec 21, 2040	50,000	49,938	57,233
Teranet Holdings LP 5.75% Dec 17, 2040	120,000	123,553	122,206	Union Gas Ltd. 5.20% Jul 23, 2040	50,000	56,159	59,395
Teranet Holdings LP 6.10% Jun 17, 2041	40,000	39,982	42,757	Union Gas Ltd. 6.05% Sep 02, 2038	35,000	41,650	45,469
Thomson Reuters Corporation (Callable) 3.31% Oct 12, 2021	117,000	117,000	118,162	Union Gas Ltd. 8.65% Nov 10, 2025	25,000	29,500	33,144
THP Partnership 4.39% Oct 31, 2046	40,049	40,049	43,085	University Health Network 5.64% Dec 08, 2022	12,615	12,320	13,373
TMX Group Ltd. (Callable) 4.46% Aug 03, 2023	43,000	43,000	45,439	University of British Columbia 4.82% Jul 26, 2035	20,000	20,000	23,411
TMX Group Ltd. 3.00% Dec 11, 2024	63,000	63,000	62,163	University of Guelph 6.24% Oct 10, 2042	20,000	19,974	27,900
TMX Group Ltd. 3.78% Jun 05, 2028	30,000	30,000	30,337	University of Ontario Institute of Technology 6.35% Oct 15, 2034	37,334	37,334	44,267
Toromont Industries Ltd. (Callable) 3.84% Jul 27, 2027	86,000	86,000	86,451	University of Ottawa (Callable) 3.26% Apr 12, 2056	22,000	22,000	20,381
Toronto Hydro Corporation (Callable) 2.52% May 25, 2026	81,000	80,987	78,621	University of Toronto 4.25% Dec 07, 2051	75,000	73,301	84,965
Toronto Hydro Corporation (Callable) 2.91% Jan 10, 2023	18,000	17,997	18,112	University of Western Ontario 4.80% May 24, 2047	71,000	71,955	85,469
Toronto Hydro Corporation (Callable) 3.49% Aug 28, 2047	7,000	6,995	6,694	University of Western Ontario, The (Callable) 3.39% Jun 04, 2056	12,000	12,000	11,749
Toronto Hydro Corporation (Callable) 3.55% Jan 28, 2045	20,000	19,967	19,399	University of Windsor 5.37% Jun 29, 2046	41,000	42,507	53,719
Toronto Hydro Corporation (Callable) 3.96% Oct 09, 2062	32,000	31,965	32,845	Vancouver Airport Authority (Callable) 3.66% May 23, 2048	32,000	32,000	32,952
Toronto Hydro Corporation 3.54% Nov 18, 2021	33,000	32,984	33,830	Vancouver Airport Authority (Callable) 3.86% May 10, 2045	39,000	39,000	41,583
Toronto Hydro Corporation 4.49% Nov 12, 2019	40,000	44,189	40,716	Ventas Canada Finance Ltd. (Callable) 2.55% Feb 15, 2023	18,000	17,992	17,415
Toronto Hydro Corporation 5.54% May 21, 2040	40,000	45,945	50,592	Ventas Canada Finance Ltd. (Callable) 3.30% Jan 02, 2022	59,000	58,995	59,091
Toronto-Dominion Bank, The (Callable) 3.22% Jul 25, 2024	191,000	191,000	185,971	Ventas Canada Finance Ltd. (Callable) 4.13% Jun 30, 2024	44,000	43,825	45,129
Toronto-Dominion Bank, The (Callable) 3.59% Sep 14, 2023	292,000	292,000	290,852	Veresen Inc. (Callable) 3.43% Oct 10, 2021	104,000	103,965	104,517
Toronto-Dominion Bank, The 1.68% Jun 08, 2021	469,000	469,041	459,449	VW Credit Canada Inc. 2.15% Jun 24, 2020	57,000	56,898	56,293
Toronto-Dominion Bank, The 1.69% Apr 02, 2020	127,000	127,000	125,770	VW Credit Canada Inc. 2.90% Mar 29, 2021	120,000	119,876	119,247
Toronto-Dominion Bank, The 1.91% Jul 18, 2023	407,000	407,000	390,294	VW Credit Canada Inc. 3.25% Mar 29, 2023	68,000	67,919	67,250
Toronto-Dominion Bank, The 1.99% Mar 23, 2022	760,000	753,700	741,895	VW Credit Canada Inc. 3.70% Nov 14, 2022	33,000	32,945	33,254
Toronto-Dominion Bank, The 2.05% Mar 08, 2021	241,000	239,930	237,933	Wells Fargo Canada Corporation 3.04% Jan 29, 2021	175,000	184,287	175,816
Toronto-Dominion Bank, The 2.56% Jun 24, 2020	233,000	233,710	233,118	Wells Fargo Canada Corporation 3.46% Jan 24, 2023	123,000	123,000	125,080
Toronto-Dominion Bank, The 2.62% Dec 22, 2021	364,000	367,560	362,673	Westcoast Energy Inc. (Callable) 3.43% Jun 12, 2024	81,000	80,966	81,716
Toronto-Dominion Bank, The 3.01% May 30, 2023	316,000	316,000	317,875	Westcoast Energy Inc. (Callable) 3.77% Sep 08, 2025	44,000	43,982	45,038
Toronto-Dominion Bank, The 3.23% Jul 24, 2024	346,000	351,952	350,956	Westcoast Energy Inc. 4.57% Jul 02, 2020	81,000	86,749	83,050
Toronto-Dominion Bank, The 9.15% May 26, 2025	50,000	62,200	67,024	Westcoast Energy Inc. 4.79% Oct 28, 2041	50,000	55,109	51,600
Toyota Credit Canada Inc. 1.75% Jul 21, 2021	41,000	40,932	39,927	Westcoast Energy Inc. 7.15% Mar 20, 2031	50,000	50,325	63,404
Toyota Credit Canada Inc. 1.80% Feb 19, 2020	50,000	49,990	49,598	WestJet Airlines Ltd. 3.29% Jul 23, 2019	43,000	43,000	43,134
Toyota Credit Canada Inc. 2.02% Feb 28, 2022	125,000	124,959	121,710	Wilfrid Laurier University 5.43% Feb 01, 2045	20,000	20,000	25,510
Toyota Credit Canada Inc. 2.05% May 20, 2020	124,000	123,976	123,069	Windsor Canada Utilities Ltd. 4.13% Nov 06, 2042	50,000	50,000	50,699
Toyota Credit Canada Inc. 2.20% Feb 25, 2021	89,000	88,824	87,955	Winnipeg Airport Authority Inc. (Callable) 3.66% Mar 30, 2047	34,000	34,000	34,136
Toyota Credit Canada Inc. 2.35% Jul 18, 2022	64,000	63,994	62,693	Winnipeg Airport Authority Inc. 5.21% Sep 28, 2040	17,112	17,112	19,638
Toyota Credit Canada Inc. 2.62% Oct 11, 2022	36,000	36,000	35,500	York Region District School Board 6.45% Jun 04, 2024	30,154	37,242	33,364
Toyota Credit Canada Inc. 2.70% Jan 25, 2023	24,000	23,984	23,686	York University (Callable) 4.46% Aug 26, 2053	30,000	30,000	34,721
Toyota Credit Canada Inc. 3.04% Jul 12, 2023	78,000	77,989	77,929	York University 6.48% Mar 07, 2042	100,000	99,972	144,940
TransAlta Corporation 5.00% Nov 25, 2020	51,000	50,753	52,575				
TransAlta Corporation 6.90% Nov 15, 2030	30,000	31,142	31,754		75,279,247		76,163,173
TransCanada Pipelines Ltd. (Callable) 3.30% Apr 17, 2025	115,000	114,854	114,537	Federal Bonds – 32.0%			
TransCanada Pipelines Ltd. (Callable) 3.39% Dec 15, 2027	64,000	63,939	62,207	Business Development Bank of Canada 4.35% Feb 28, 2022	53,000	55,707	56,436
TransCanada Pipelines Ltd. (Callable) 3.69% Apr 19, 2023	136,000	137,676	138,881	Business Development Bank of Canada 4.75% Jul 26, 2021	87,000	105,024	92,491
TransCanada Pipelines Ltd. (Callable) 4.18% Jan 03, 2048	121,000	120,959	111,586	Canada Government International Bond 2.75% Dec 01, 2064	820,000	828,350	962,909
TransCanada Pipelines Ltd. (Callable) 4.33% Mar 16, 2047	74,000	73,987	70,232	Canada Housing Trust No 1 1.75% Jun 15, 2022	1,408,000	1,413,339	1,387,920
TransCanada Pipelines Ltd. (Callable) 4.35% Dec 06, 2045	73,000	72,830	69,793	Canada Housing Trust No 1 2.35% Jun 15, 2027	951,000	958,777	942,481
TransCanada Pipelines Ltd. 11.80% Nov 20, 2020	90,000	144,104	104,244	Canada Housing Trust No 1 1.15% Dec 15, 2021	795,000	793,434	773,426
TransCanada Pipelines Ltd. 3.65% Nov 15, 2021	80,000	79,894	81,652	Canada Housing Trust No. 1 1.20% Jun 15, 2020	722,000	720,874	714,659
TransCanada Pipelines Ltd. 4.55% Nov 15, 2041	135,000	134,289	133,269	Canada Housing Trust No. 1 1.25% Dec 15, 2020	1,129,000	1,127,026	1,113,417
TransCanada Pipelines Ltd. 6.28% May 26, 2028	40,000	35,490	47,232	Canada Housing Trust No. 1 1.25% Jun 15, 2021	1,396,000	1,401,325	1,369,763
TransCanada Pipelines Ltd. 6.50% Dec 09, 2030	50,000	57,417	59,324	Canada Housing Trust No. 1 1.45% Jun 15, 2020	718,000	717,619	713,247
TransCanada Pipelines Ltd. 7.34% Jul 18, 2028	65,000	67,506	82,335	Canada Housing Trust No. 1 1.50% Dec 15, 2021	834,000	833,483	819,668

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Federal Bonds (cont'd)				Mortgage-Backed Securities (cont'd)			
Canada Housing Trust No. 1 1.90% Sep 15, 2026	970,000	972,132	933,144	OPB Finance Trust 1.88% Feb 24, 2022	40,000	39,024	39,258
Canada Housing Trust No. 1 1.95% Dec 15, 2025	325,000	323,557	315,483			604,057	599,371
Canada Housing Trust No. 1 2.25% Dec 15, 2025	584,000	592,237	578,061	Municipal Bonds – 1.8%			
Canada Housing Trust No. 1 2.35% Jun 15, 2023	1,500,000	1,500,229	1,504,924	City of Montreal 3.00% Sep 01, 2025	68,000	68,585	68,508
Canada Housing Trust No. 1 2.35% Mar 15, 2028	415,000	414,062	409,731	City of Montreal 3.50% Sep 01, 2023	115,000	114,311	119,274
Canada Housing Trust No. 1 2.35% Sep 15, 2023	570,000	567,469	571,664	City of Montreal 3.50% Sep 01, 2024	99,000	103,526	102,810
Canada Housing Trust No. 1 2.40% Dec 15, 2022	2,476,000	2,485,722	2,492,003	City of Montreal 4.10% Dec 01, 2034	85,000	87,459	92,045
Canada Housing Trust No. 1 2.55% Dec 15, 2023	1,561,000	1,562,199	1,578,418	City of Montreal 4.25% Dec 01, 2032	20,000	20,232	22,141
Canada Housing Trust No. 1 2.55% Mar 15, 2025	856,000	878,294	864,781	City of Montreal 4.50% Dec 01, 2021	85,000	89,842	90,123
Canada Housing Trust No. 1 2.65% Dec 15, 2028	577,000	570,950	583,567	City of Montreal 5.45% Dec 01, 2019	63,000	72,460	64,935
Canada Housing Trust No. 1 2.65% Mar 15, 2022	1,066,000	1,076,405	1,082,861	City of Montreal 6.00% Jun 01, 2043	122,000	148,820	172,175
Canada Housing Trust No. 1 2.65% Mar 15, 2028	634,000	627,036	641,483	City of Montreal 2.75% Sep 01, 2026	72,000	71,654	70,955
Canada Housing Trust No. 1 2.90% Jun 15, 2024	847,000	856,065	871,174	City of Montreal 3.00% Sep 01, 2027	52,000	52,042	51,920
Canada Housing Trust No. 1 3.15% Sep 15, 2023	268,000	269,956	278,271	City of Montreal 3.15% Dec 01, 2036	71,000	69,500	68,189
Canada Housing Trust No. 1 3.35% Dec 15, 2020	505,000	502,796	518,191	City of Montreal 3.15% Sep 01, 2028	69,000	68,689	69,426
Canada Housing Trust No. 1 3.75% Mar 15, 2020	712,000	707,468	727,566	City of Montreal 3.50% Dec 01, 2038	35,000	35,030	35,111
Canada Housing Trust No. 1 3.80% Jun 15, 2021	1,135,000	1,214,252	1,182,417	City of Ottawa 3.05% Apr 23, 2046	24,000	23,767	22,269
Canada Post Corporation 4.08% Jul 16, 2025	125,000	132,500	137,634	City of Ottawa 3.10% Jul 27, 2048	73,000	69,860	68,399
Canada Post Corporation 4.36% Jul 16, 2040	356,000	414,123	443,412	City of Ottawa 3.25% Nov 10, 2047	18,000	17,969	17,419
Export Development Canada 1.80% Sep 01, 2022	93,000	92,872	91,835	City of Ottawa 4.20% Jul 30, 2053	76,000	75,810	87,397
Farm Credit Canada 4.55% Apr 12, 2021	231,000	266,130	243,329	City of Ottawa 4.40% Oct 22, 2033	41,000	40,941	46,261
Farm Credit Canada 4.60% Jun 01, 2021	303,000	361,094	320,511	City of Ottawa 4.60% Jul 14, 2042	15,000	16,021	17,811
Government of Canada 0.75% Mar 01, 2021	2,680,000	2,680,695	2,617,120	City of Ottawa 5.05% Aug 13, 2030	31,000	35,946	36,642
Government of Canada 0.75% Sep 01, 2020	2,968,000	2,936,519	2,915,005	City of Toronto 2.40% Jun 07, 2027	68,000	67,820	64,871
Government of Canada 0.75% Sep 01, 2021	1,655,000	1,642,281	1,607,357	City of Toronto 2.40% Jun 24, 2026	30,000	29,974	28,951
Government of Canada 1.25% Feb 01, 2020	380,000	377,102	377,720	City of Toronto 2.45% Feb 06, 2025	77,000	76,578	75,473
Government of Canada 1.50% Jun 01, 2023	1,067,000	1,035,142	1,049,788	City of Toronto 2.95% Apr 28, 2035	70,000	67,517	65,954
Government of Canada 1.50% Jun 01, 2026	1,504,000	1,501,224	1,459,333	City of Toronto 3.20% Aug 01, 2048	44,000	43,890	41,688
Government of Canada 1.50% Mar 01, 2020	2,835,000	2,894,886	2,824,420	City of Toronto 3.25% Jun 24, 2046	88,000	85,366	84,003
Government of Canada 1.75% Aug 01, 2020	500,000	496,426	499,224	City of Toronto 3.50% Dec 06, 2021	86,000	86,984	88,743
Government of Canada 1.75% Mar 01, 2023	1,010,000	993,997	1,004,500	City of Toronto 3.50% Jun 02, 2036	79,000	79,901	79,725
Government of Canada 1.75% May 01, 2020	1,200,000	1,192,917	1,198,778	City of Toronto 3.80% Dec 13, 2042	62,000	61,790	65,200
Government of Canada 10.50% Mar 15, 2021	1,000	1,680	1,185	City of Toronto 3.90% Sep 29, 2023	26,000	25,925	27,458
Government of Canada 2.00% Dec 01, 2051	210,000	194,608	200,952	City of Toronto 4.50% Dec 02, 2019	50,000	49,846	51,101
Government of Canada 2.00% Jun 01, 2028	1,728,000	1,682,983	1,733,426	City of Toronto 4.70% Jun 10, 2041	91,000	92,803	108,239
Government of Canada 2.00% Nov 01, 2020	1,000,000	994,120	1,002,506	City of Toronto 5.20% Jun 01, 2040	107,000	122,937	135,237
Government of Canada 2.00% Sep 01, 2023	1,102,000	1,094,693	1,107,703	City of Toronto 5.34% Jul 18, 2027	10,437	10,437	11,492
Government of Canada 2.25% Feb 01, 2021	300,000	301,716	302,339	City of Toronto 6.80% Jul 26, 2021	67,000	87,322	74,319
Government of Canada 2.25% Jun 01, 2025	1,640,000	1,723,756	1,673,148	City of Vancouver 2.70% Dec 15, 2026	25,000	24,970	24,678
Government of Canada 2.25% Jun 01, 2029	605,000	596,081	620,340	City of Vancouver 2.85% Nov 03, 2027	16,000	15,965	15,888
Government of Canada 2.25% Mar 01, 2024	325,000	329,943	330,604	City of Vancouver 2.90% Nov 20, 2025	16,000	15,946	16,109
Government of Canada 2.50% Jun 01, 2024	1,404,000	1,470,610	1,447,095	City of Vancouver 3.05% Oct 16, 2024	24,000	23,973	24,466
Government of Canada 2.75% Dec 01, 2048	1,574,000	1,723,226	1,770,019	City of Vancouver 3.45% Dec 02, 2021	54,000	53,923	55,704
Government of Canada 2.75% Jun 01, 2022	1,225,000	1,295,368	1,260,332	City of Vancouver 3.70% Oct 18, 2052	40,000	39,727	41,896
Government of Canada 3.25% Jun 01, 2021	1,460,000	1,639,522	1,507,415	City of Vancouver 3.75% Oct 24, 2023	46,000	45,947	48,397
Government of Canada 3.50% Dec 01, 2045	1,778,000	2,352,114	2,249,566	City of Winnipeg 4.10% Jun 01, 2045	20,000	20,957	21,861
Government of Canada 3.50% Jun 01, 2020	1,940,000	2,186,260	1,984,836	City of Winnipeg 5.20% Jul 17, 2036	81,000	95,352	99,124
Government of Canada 4.00% Jun 01, 2041	1,685,000	2,162,113	2,223,523	City of Winnipeg 5.90% Feb 02, 2029	30,000	37,712	36,910
Government of Canada 5.00% Jun 01, 2037	1,154,000	1,663,275	1,652,897	Municipal Finance Authority of British Columbia 1.65% Apr 19, 2021	103,000	102,839	101,695
Government of Canada 5.75% Jun 01, 2029	1,302,000	1,864,174	1,759,277	Municipal Finance Authority of British Columbia 1.75% Oct 15, 2020	28,000	27,961	27,811
Government of Canada 5.75% Jun 01, 2033	1,153,000	1,689,433	1,679,179	Municipal Finance Authority of British Columbia 2.50% Apr 19, 2026	52,000	51,890	51,022
Government of Canada 8.00% Jun 01, 2023	390,000	544,818	490,373	Municipal Finance Authority of British Columbia 2.65% Oct 02, 2025	29,000	28,901	28,880
Government of Canada 8.00% Jun 01, 2027	685,800	984,802	1,006,398	Municipal Finance Authority of British Columbia 2.95% Oct 14, 2024	62,000	63,502	63,003
Government of Canada 9.00% Jun 01, 2025	527,000	769,680	751,292	Municipal Finance Authority of British Columbia 3.35% Jun 01, 2022	60,000	59,930	61,839
Government of Canada 9.25% Jun 01, 2022	111,000	185,696	138,063	Municipal Finance Authority of British Columbia 3.75% Sep 26, 2023	70,000	70,939	73,761
Government of Canada 9.75% Jun 01, 2021	203,000	305,701	240,605	Municipal Finance Authority of British Columbia 4.15% Jun 01, 2021	155,000	162,635	161,909
Government of Canada Bonds 0.50% Mar 01, 2022	1,793,000	1,744,356	1,717,760	Municipal Finance Authority of British Columbia 4.45% Jun 01, 2020	48,000	49,770	49,576
Government of Canada Bonds 1.00% Jun 01, 2027	1,755,000	1,598,211	1,626,919	Regional Municipality of Halton Canada 3.15% Apr 06, 2045	49,000	48,830	46,094
Government of Canada Bonds 1.00% Sep 01, 2022	1,434,000	1,383,396	1,389,076	Regional Municipality of Halton Canada 4.05% Oct 11, 2041	38,000	37,817	41,495
		<u>73,576,030</u>	<u>72,736,950</u>	Regional Municipality of Peel 2.30% Nov 02, 2026	22,000	21,928	21,048
Mortgage-Backed Securities – 0.3%				Regional Municipality of Peel 3.50% Dec 01, 2021	25,000	25,603	25,806
Caisse Centrale Desjardins 1.75% Mar 02, 2020	359,000	359,000	355,919	Regional Municipality of Peel 3.85% Oct 30, 2042	59,000	58,667	62,763
Canadian Credit Card Trust II 1.83% Mar 24, 2020	161,000	161,033	159,639	Regional Municipality of Peel 4.25% Dec 02, 2033	131,000	130,479	145,064
Chip Mortgage Trust 2.33% Apr 29, 2020	45,000	45,000	44,555	Regional Municipality of York 2.35% Jun 09, 2027	19,000	18,015	18,107

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Municipal Bonds (cont'd)				Provincial Bonds (cont'd)			
Regional Municipality of York 2.50% Jun 02, 2026	34,000	33,988	33,094	Province of British Columbia 9.95% May 15, 2021	100,000	152,708	117,845
Regional Municipality of York 2.60% Dec 15, 2025	45,000	44,708	44,316	Province of British Columbia Canada 2.95% Dec 18, 2028	176,000	177,109	179,407
Regional Municipality of York 3.65% May 13, 2033	83,000	73,645	86,443	Province of Edward Island 2.35% Aug 25, 2025	26,000	25,959	25,182
Regional Municipality of York 4.00% Jun 30, 2021	50,000	51,014	52,086	Province of Edward Island 3.60% Jan 17, 2053	25,000	23,077	25,514
Regional Municipality of York 4.00% May 31, 2032	57,000	57,658	61,965	Province of Edward Island 3.65% Jun 27, 2042	11,000	10,970	11,286
Regional Municipality of York 4.05% May 01, 2034	66,000	68,125	71,785	Province of Edward Island 3.70% Sep 02, 2020	31,000	30,836	31,792
Regional Municipality of York 4.50% Jun 30, 2020	99,000	102,609	102,426	Province of Edward Island 3.85% Jul 17, 2054	27,000	26,858	28,373
		<u>4,037,479</u>	<u>4,143,285</u>	Province of Edward Island 4.60% May 19, 2041	30,000	31,337	35,329
				Province of Edward Island 4.65% Nov 19, 2037	20,000	22,018	23,338
Provincial Bonds – 31.7%				Province of Edward Island 5.30% May 19, 2036	36,000	39,761	44,739
Alberta Capital Finance Authority 4.45% Dec 15, 2025	15,000	14,953	16,518	Province of Edward Island 5.70% Jun 15, 2035	20,000	19,982	25,743
Financement-Quebec 5.25% Jun 01, 2034	205,000	213,651	256,272	Province of Edward Island 6.80% Feb 21, 2030	50,000	49,690	66,761
First Nations Finance Authority 3.05% Jun 01, 2028	35,000	34,535	34,978	Province of Manitoba 1.55% Sep 05, 2021	150,000	149,906	147,452
First Nations Finance Authority 3.40% Jun 26, 2024	26,000	27,428	26,841	Province of Manitoba 1.60% Sep 05, 2020	87,000	86,797	86,341
Municipal Finance Authority of British Columbia 2.15% Dec 01, 2022	71,000	70,963	70,211	Province of Manitoba 10.50% Mar 05, 2031	71,000	139,014	124,352
Municipal Finance Authority of British Columbia 2.60% Apr 23, 2023	66,000	65,994	66,226	Province of Manitoba 2.45% Jun 02, 2025	253,000	252,193	249,728
Municipal Finance Authority of British Columbia 2.80% Dec 03, 2023	110,000	109,893	111,275	Province of Manitoba 2.55% Jun 02, 2023	201,000	192,353	201,650
Municipal Finance Authority of British Columbia 3.05% Oct 23, 2028	100,000	99,790	100,902	Province of Manitoba 2.55% Jun 02, 2026	275,000	279,932	270,928
Municipal Finance Authority of British Columbia 4.95% Dec 01, 2027	114,000	131,145	132,291	Province of Manitoba 2.60% Jun 02, 2027	151,000	148,632	148,213
Ontario School Boards Financing Corporation 4.79% Aug 08, 2030	12,491	12,491	13,387	Province of Manitoba 2.85% Sep 05, 2046	263,000	245,873	239,048
Ontario School Boards Financing Corporation 5.07% Apr 18, 2031	16,939	16,939	18,711	Province of Manitoba 3.00% Jun 02, 2028	111,000	110,216	111,900
Ontario School Boards Financing Corporation 5.38% Jun 25, 2032	27,152	27,152	30,731	Province of Manitoba 3.15% Sep 05, 2052	18,000	15,503	17,265
Ontario School Boards Financing Corporation 5.48% Nov 26, 2029	30,246	30,247	34,204	Province of Manitoba 3.20% Mar 05, 2050	137,000	135,442	133,586
Ontario School Boards Financing Corporation 5.90% Oct 11, 2027	18,609	18,510	20,962	Province of Manitoba 3.25% Sep 05, 2029	16,000	15,253	16,355
OPB Finance Trust (Callable) 2.98% Oct 25, 2026	80,000	79,958	80,214	Province of Manitoba 3.30% Jun 02, 2024	148,000	149,845	153,418
OPB Finance Trust 2.90% May 24, 2023	52,000	51,964	52,548	Province of Manitoba 3.35% Mar 05, 2043	100,000	98,098	99,938
OPB Finance Trust 3.89% Jul 04, 2042	101,000	100,929	108,116	Province of Manitoba 3.40% Sep 05, 2048	277,000	281,289	280,000
Province of Alberta 1.25% Jun 01, 2020	422,000	418,750	417,453	Province of Manitoba 3.85% Dec 01, 2021	69,000	74,793	72,077
Province of Alberta 1.35% Sep 01, 2021	374,000	373,768	365,700	Province of Manitoba 4.05% Sep 05, 2045	199,000	208,381	223,112
Province of Alberta 1.60% Sep 01, 2022	117,000	116,720	113,845	Province of Manitoba 4.10% Mar 05, 2041	77,000	80,867	86,067
Province of Alberta 2.20% Jun 01, 2026	516,000	515,286	496,475	Province of Manitoba 4.15% Jun 03, 2020	129,000	130,967	132,792
Province of Alberta 2.35% Jun 01, 2025	491,000	492,846	481,502	Province of Manitoba 4.40% Mar 05, 2042	85,000	84,777	99,276
Province of Alberta 2.55% Dec 15, 2022	264,000	261,640	265,326	Province of Manitoba 4.40% Sep 05, 2025	80,000	79,706	88,174
Province of Alberta 2.55% Jun 01, 2027	471,000	466,771	460,743	Province of Manitoba 4.60% Mar 05, 2038	158,000	166,234	186,988
Province of Alberta 2.65% Sep 01, 2023	171,000	170,926	172,184	Province of Manitoba 4.65% Mar 05, 2040	125,000	130,112	150,103
Province of Alberta 2.90% Dec 01, 2028	203,000	201,259	202,810	Province of Manitoba 4.70% Mar 05, 2050	100,000	101,146	126,287
Province of Alberta 2.90% Sep 20, 2029	221,000	209,340	218,960	Province of Manitoba 4.75% Feb 11, 2020	140,000	156,090	144,205
Province of Alberta 3.05% Dec 01, 2048	971,000	954,751	928,544	Province of Manitoba 5.70% Mar 05, 2037	75,000	84,647	99,595
Province of Alberta 3.10% Jun 01, 2024	113,000	112,827	115,874	Province of Manitoba 7.75% Dec 22, 2025	150,000	175,083	197,154
Province of Alberta 3.10% Jun 01, 2050	119,000	116,994	115,129	Province of New Brunswick 1.55% May 04, 2022	125,000	121,416	121,815
Province of Alberta 3.30% Dec 01, 2046	693,000	708,050	692,631	Province of New Brunswick 2.35% Aug 14, 2027	49,000	48,986	46,955
Province of Alberta 3.40% Dec 01, 2023	95,000	94,687	98,828	Province of New Brunswick 2.60% Aug 14, 2026	52,000	51,810	51,242
Province of Alberta 3.45% Dec 01, 2043	346,000	343,485	354,995	Province of New Brunswick 2.85% Jun 02, 2023	213,000	211,976	216,131
Province of Alberta 3.50% Jun 01, 2031	178,000	178,751	186,375	Province of New Brunswick 3.10% Aug 14, 2048	108,000	105,173	101,885
Province of Alberta 3.90% Dec 01, 2033	163,000	162,418	177,148	Province of New Brunswick 3.55% Jun 03, 2043	154,000	141,467	157,314
Province of Alberta 4.50% Dec 01, 2040	80,000	79,292	95,330	Province of New Brunswick 3.55% Jun 03, 2055	80,000	81,398	81,540
Province of British Columbia 2.30% Jun 18, 2026	216,000	217,244	211,422	Province of New Brunswick 3.65% Jun 03, 2024	226,000	228,408	237,831
Province of British Columbia 2.55% Jun 18, 2027	92,000	91,667	91,050	Province of New Brunswick 3.80% Aug 14, 2045	186,000	194,913	198,340
Province of British Columbia 2.70% Dec 18, 2022	185,000	185,276	187,655	Province of New Brunswick 4.50% Jun 02, 2020	319,000	319,117	329,836
Province of British Columbia 2.80% Jun 18, 2048	688,000	667,742	652,220	Province of New Brunswick 4.55% Mar 26, 2037	142,000	157,320	164,723
Province of British Columbia 2.85% Jun 18, 2025	264,000	273,060	268,753	Province of New Brunswick 4.65% Sep 26, 2035	89,000	94,415	103,926
Province of British Columbia 2.95% Jun 18, 2050	140,000	136,530	137,033	Province of New Brunswick 4.80% Jun 03, 2041	125,000	127,611	152,197
Province of British Columbia 3.20% Jun 18, 2044	554,000	508,032	565,023	Province of New Brunswick 4.80% Sep 26, 2039	130,000	136,757	157,187
Province of British Columbia 3.25% Dec 18, 2021	254,000	255,763	261,659	Province of New Brunswick 5.50% Jan 27, 2034	75,000	91,680	94,816
Province of British Columbia 3.30% Dec 18, 2023	161,000	159,307	167,584	Province of New Brunswick 5.65% Dec 27, 2028	50,000	45,795	61,266
Province of British Columbia 3.70% Dec 18, 2020	276,000	275,060	284,645	Province of New Brunswick Canada 3.10% Aug 14, 2028	27,000	26,910	27,338
Province of British Columbia 4.30% Jun 18, 2042	410,000	452,010	492,744	Province of Newfoundland and Labrador 1.95% Jun 02, 2022	134,000	133,661	132,021
Province of British Columbia 4.70% Jun 18, 2037	153,000	181,252	188,623	Province of Newfoundland and Labrador 10.95% Apr 15, 2021	65,000	96,801	77,414
Province of British Columbia 4.80% Jun 15, 2021	60,000	67,179	63,761	Province of Newfoundland and Labrador 2.30% Jun 02, 2025	79,000	77,577	76,920
Province of British Columbia 4.95% Jun 18, 2040	241,000	268,889	312,192	Province of Newfoundland and Labrador 2.85% Jun 02, 2028	95,000	94,779	94,003
Province of British Columbia 5.40% Jun 18, 2035	84,000	108,120	109,883	Province of Newfoundland and Labrador 3.00% Jun 02, 2026	102,000	103,619	103,013
Province of British Columbia 5.70% Jun 18, 2029	395,000	493,658	497,632	Province of Newfoundland and Labrador 3.30% Oct 17, 2046	221,000	209,206	213,551
Province of British Columbia 6.15% Nov 19, 2027	90,000	84,882	113,816	Province of Newfoundland and Labrador 3.70% Oct 17, 2048	121,000	125,938	126,175
Province of British Columbia 6.35% Jun 18, 2031	270,000	347,457	367,964	Province of Newfoundland and Labrador 4.50% Apr 17, 2037	55,000	57,308	63,068
Province of British Columbia 9.50% Jun 09, 2022	68,000	107,740	83,873	Province of Newfoundland and Labrador 4.65% Oct 17, 2040	62,000	71,996	73,281

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, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)	Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
BONDS AND DEBENTURES (cont'd)				BONDS AND DEBENTURES (cont'd)			
Provincial Bonds (cont'd)				Provincial Bonds (cont'd)			
Province of Newfoundland and Labrador 5.70% Oct 17, 2035	51,000	69,651	66,123	Province of Quebec 6.00% Oct 01, 2029	395,000	492,439	508,950
Province of Newfoundland and Labrador 6.15% Apr 17, 2028	35,000	33,447	43,780	Province of Quebec 6.25% Jun 01, 2032	567,000	692,619	772,518
Province of Newfoundland and Labrador 6.55% Oct 17, 2030	85,000	104,336	113,205	Province of Quebec 8.50% Apr 01, 2026	300,000	412,725	413,249
Province of Nova Scotia 2.10% Jun 01, 2027	33,000	32,981	31,314	Province of Quebec 9.38% Jan 16, 2023	300,000	427,350	379,895
Province of Nova Scotia 2.15% Jun 01, 2025	70,000	69,936	67,978	Province of Saskatchewan 2.55% Jun 02, 2026	116,000	117,829	114,532
Province of Nova Scotia 3.45% Jun 01, 2045	12,000	12,441	12,442	Province of Saskatchewan 2.65% Jun 02, 2027	185,000	183,773	182,759
Province of Nova Scotia 3.50% Jun 02, 2062	200,000	198,858	212,581	Province of Saskatchewan 2.75% Dec 02, 2046	355,000	329,788	320,876
Province of Nova Scotia 4.10% Jun 01, 2021	81,000	85,110	84,634	Province of Saskatchewan 3.10% Jun 02, 2050	72,000	70,971	70,014
Province of Nova Scotia 4.40% Jun 01, 2042	122,000	132,935	145,343	Province of Saskatchewan 3.20% Jun 03, 2024	80,000	86,238	82,590
Province of Nova Scotia 4.45% Oct 24, 2021	32,000	34,483	33,890	Province of Saskatchewan 3.30% Jun 02, 2048	312,000	317,631	314,701
Province of Nova Scotia 4.50% Jun 01, 2037	115,000	125,528	136,088	Province of Saskatchewan 3.40% Feb 03, 2042	155,000	156,100	158,486
Province of Nova Scotia 4.70% Jun 01, 2041	67,000	73,609	82,698	Province of Saskatchewan 3.90% Jun 02, 2045	226,000	232,974	250,813
Province of Nova Scotia 4.90% Jun 01, 2035	55,000	55,465	67,308	Province of Saskatchewan 4.75% Jun 01, 2040	160,000	167,487	197,016
Province of Nova Scotia 5.80% Jun 01, 2033	100,000	113,981	131,287	Province of Saskatchewan 5.00% Mar 05, 2037	50,000	61,281	62,212
Province of Nova Scotia 6.60% Jun 01, 2027	80,000	97,257	102,714	Province of Saskatchewan 5.60% Sep 05, 2035	108,000	121,147	141,562
Province of Nova Scotia 9.60% Jan 30, 2022	130,000	179,967	157,436	Province of Saskatchewan 5.75% Mar 05, 2029	81,000	105,684	100,866
Province of Ontario 1.35% Mar 08, 2022	682,000	669,525	662,471	Province of Saskatchewan 6.40% Sep 05, 2031	103,000	130,355	139,539
Province of Ontario 1.95% Jan 27, 2023	275,000	273,938	270,609	Province of Saskatchewan 9.60% Feb 04, 2022	286,000	452,197	347,429
Province of Ontario 2.40% Jun 02, 2026	993,000	1,011,917	972,431	Province of Saskatchewan Canada 3.05% Dec 02, 2028	74,000	73,655	75,095
Province of Ontario 2.60% Jun 02, 2025	1,953,000	1,984,437	1,949,463	South Coast British Columbia Transportation Authority 3.15% Nov 16, 2048	14,000	13,978	13,242
Province of Ontario 2.60% Jun 02, 2027	1,380,000	1,373,677	1,361,217	South Coast British Columbia Transportation Authority 3.25% Nov 23, 2028	53,000	52,924	54,023
Province of Ontario 2.60% Sep 08, 2023	495,000	492,937	497,828	South Coast British Columbia Transportation Authority 3.80% Nov 02, 2020	25,000	24,982	25,722
Province of Ontario 2.65% Feb 05, 2025	143,000	142,655	143,661	South Coast British Columbia Transportation Authority 3.85% Feb 09, 2052	34,000	33,816	36,662
Province of Ontario 2.80% Jun 02, 2048	1,531,000	1,458,055	1,418,944	South Coast British Columbia Transportation Authority 4.45% Jun 09, 2044	54,000	53,875	63,096
Province of Ontario 2.85% Jun 02, 2023	1,616,000	1,607,947	1,642,525	South Coast British Columbia Transportation Authority 4.65% Jun 20, 2041	65,000	64,938	77,224
Province of Ontario 2.90% Dec 02, 2046	1,787,000	1,718,158	1,686,544	Yukon Development Corporation 5.00% Jun 29, 2040	31,000	30,790	37,923
Province of Ontario 2.90% Jun 02, 2028	1,142,000	1,131,372	1,149,492				
Province of Ontario 2.90% Jun 02, 2049	1,385,000	1,325,813	1,311,835				
Province of Ontario 3.15% Jun 02, 2022	1,688,000	1,729,829	1,733,035	TOTAL INVESTMENT PORTFOLIO	70,889,666	71,998,761	
Province of Ontario 3.45% Jun 02, 2045	1,647,000	1,560,126	1,718,839	OTHER ASSETS, LESS LIABILITIES – 0.7%			1,419,083
Province of Ontario 3.50% Jun 02, 2024	1,571,000	1,624,417	1,646,392	NET ASSETS – 100.0%	224,386,479	225,641,540	227,060,623
Province of Ontario 3.50% Jun 02, 2043	1,352,000	1,373,504	1,419,480				
Province of Ontario 4.00% Jun 02, 2021	1,200,000	1,262,273	1,251,242				
Province of Ontario 4.20% Jun 02, 2020	1,508,000	1,576,829	1,553,304				
Province of Ontario 4.60% Jun 02, 2039	775,000	860,632	940,840				
Province of Ontario 4.65% Jun 02, 2041	1,107,000	1,333,166	1,363,232				
Province of Ontario 4.70% Jun 02, 2037	915,000	1,054,000	1,112,017				
Province of Ontario 5.60% Jun 02, 2035	867,000	1,070,507	1,141,823				
Province of Ontario 5.85% Mar 08, 2033	564,000	688,454	745,010				
Province of Ontario 6.20% Jun 02, 2031	325,000	431,903	434,173				
Province of Ontario 6.25% Aug 25, 2028	110,000	110,879	140,017				
Province of Ontario 6.50% Mar 08, 2029	620,000	797,101	815,157				
Province of Ontario 7.50% Feb 07, 2024	51,000	73,933	62,919				
Province of Ontario 7.60% Jun 02, 2027	144,000	200,601	195,850				
Province of Ontario 8.10% Sep 08, 2023	484,000	654,688	603,547				
Province of Ontario 9.50% Jul 13, 2022	269,000	401,378	333,144				
Province of Quebec 1.65% Mar 03, 2022	72,000	71,924	70,793				
Province of Quebec 2.45% Mar 01, 2023	64,000	63,907	64,330				
Province of Quebec 2.50% Sep 01, 2026	852,000	865,306	841,740				
Province of Quebec 2.60% Jul 06, 2025	33,000	32,929	33,090				
Province of Quebec 2.75% Sep 01, 2025	837,000	865,831	844,449				
Province of Quebec 2.75% Sep 01, 2027	839,000	848,495	840,225				
Province of Quebec 2.75% Sep 01, 2028	677,000	667,038	675,992				
Province of Quebec 3.00% Sep 01, 2023	886,000	881,107	907,863				
Province of Quebec 3.50% Dec 01, 2022	903,000	937,404	941,644				
Province of Quebec 3.50% Dec 01, 2045	1,367,000	1,368,030	1,453,273				
Province of Quebec 3.50% Dec 01, 2048	1,526,000	1,656,887	1,634,169				
Province of Quebec 3.75% Sep 01, 2024	822,000	859,721	874,835				
Province of Quebec 4.25% Dec 01, 2021	1,010,000	1,113,725	1,067,673				
Province of Quebec 4.25% Dec 01, 2043	942,000	1,038,162	1,120,550				
Province of Quebec 4.50% Dec 01, 2020	825,000	903,375	862,532				
Province of Quebec 5.00% Dec 01, 2038	602,000	704,237	769,487				
Province of Quebec 5.00% Dec 01, 2041	1,105,000	1,333,199	1,439,272				
Province of Quebec 5.35% Jun 01, 2025	180,000	214,686	208,335				
Province of Quebec 5.75% Dec 01, 2036	502,000	636,059	684,781				

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

Scotia Canadian Bond Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	1,186,851	1,105,841
1-3 years	53,963,823	60,250,252
3-5 years	44,397,353	55,243,278
5-10 years	50,403,252	57,271,164
> 10 years	75,690,261	87,216,765
	225,641,540	261,087,300

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$4,209,265 or approximately 1.9% (December 31, 2017 – \$4,917,329 or approximately 1.9%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

Price risk

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

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	–	–	0.2	0.2
AAA	38.2	38.0	38.3	38.2
AA	18.7	18.6	17.6	17.6
A	30.9	30.6	31.3	31.0
BBB	12.1	12.0	12.4	12.4
BB	0.1	0.1	0.2	0.2
	100.0	99.3	100.0	99.6

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Corporate Bonds	33.5	32.2
Federal Bonds	32.0	33.4
Money Market Instruments	–	0.2
Mortgage-Backed Securities	0.3	0.2
Municipal Bonds	1.8	1.9
Provincial Bonds	31.7	31.7

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	225,641,540	–	225,641,540
	–	225,641,540	–	225,641,540

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Bonds and debentures	–	260,617,300	–	260,617,300
Money market instruments	–	470,000	–	470,000
	–	261,087,300	–	261,087,300

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Canadian Bond Index 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, 2018 or December 31, 2017.

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

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

Scotia Canadian Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	237,175,273	274,914,538
Cash	766,280	419,028
Subscriptions receivable	259,978	147,083
Accrued investment income and other	748,575	696,307
	<u>238,950,106</u>	<u>276,176,956</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	14	–
Redemptions payable	67,502	256,323
Distributions payable	1,168	991
	<u>68,684</u>	<u>257,314</u>
Net assets attributable to holders of redeemable units	<u>238,881,422</u>	<u>275,919,642</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	236,215,499	273,700,002
Series D	1,321,829	773,259
Series F	<u>1,344,094</u>	<u>1,446,381</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	25.25	28.50
Series D	10.07	11.39
Series F	<u>24.99</u>	<u>28.22</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,584,136	7,157,408
Interest for distribution purposes	173,108	240,370
Net realized gain (loss) on non-derivative financial assets	5,449,914	5,549,360
Change in unrealized gain (loss) on non-derivative financial assets	(36,484,435)	10,258,446
Change in unrealized gain (loss) on derivatives	(14)	–
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(23,277,291)	23,205,584
Securities lending (note 11)	77,275	45,700
Net realized and unrealized foreign currency translation gain (loss)	2,442	608
Other income	3,514	3,361
Total income (loss), net	<u>(23,194,060)</u>	<u>23,255,253</u>
EXPENSES		
Management fees (note 5)	2,118,850	2,106,336
Fixed administration fees (note 6)	265,881	264,118
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	518	304
Foreign withholding taxes/tax reclaims	82	85
Harmonized Sales Tax/Goods and Services Tax	261,014	261,229
Transaction costs	8,380	9,476
Total expenses	<u>2,655,974</u>	<u>2,642,683</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(25,850,034)</u>	<u>20,612,570</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(25,587,469)	20,447,212
Series D	(127,310)	56,673
Series F	<u>(135,255)</u>	<u>108,685</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(2.73)	2.13
Series D	(1.25)	0.97
Series F	<u>(2.54)</u>	<u>2.21</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,373,099	9,605,239
Series D	101,780	58,454
Series F	<u>53,158</u>	<u>49,196</u>

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

Scotia Canadian Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	273,700,002	256,898,966
Series D	773,259	220,697
Series F	1,446,381	1,167,762
	<u>275,919,642</u>	<u>258,287,425</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(25,587,469)	20,447,212
Series D	(127,310)	56,673
Series F	(135,255)	108,685
	<u>(25,850,034)</u>	<u>20,612,570</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(4,226,367)	(3,912,079)
Series D	(29,385)	(13,524)
Series F	(31,170)	(27,457)
	<u>(4,286,922)</u>	<u>(3,953,060)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	29,979,915	35,885,063
Series D	849,189	914,751
Series F	221,276	245,886
Reinvested distributions		
Series A	4,187,100	3,877,677
Series D	27,410	13,410
Series F	18,264	15,249
Payments on redemption		
Series A	(41,837,682)	(39,496,837)
Series D	(171,334)	(418,748)
Series F	(175,402)	(63,744)
	<u>(6,901,264)</u>	<u>972,707</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(37,484,503)	16,801,036
Series D	548,570	552,562
Series F	(102,287)	278,619
	<u>(37,038,220)</u>	<u>17,632,217</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	236,215,499	273,700,002
Series D	1,321,829	773,259
Series F	1,344,094	1,446,381
	<u>238,881,422</u>	<u>275,919,642</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(25,850,034)	20,612,570
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,449,914)	(5,549,360)
Change in unrealized (gain) loss on non-derivative financial assets	36,484,435	(10,258,446)
Change in unrealized (gain) loss on derivatives	14	-
Unrealized foreign currency translation (gain) loss	124	(607)
Other non-cash transactions	-	(15,576)
Purchases of non-derivative financial assets and liabilities	(10,344,731)	(20,422,738)
Proceeds from sale of non-derivative financial assets and liabilities	17,049,475	18,167,815
Accrued investment income and other	(52,268)	(53,362)
Accrued expenses and other payables	-	(7,038)
Net cash provided by (used in) operating activities	<u>11,837,101</u>	<u>2,473,258</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	30,509,452	36,701,371
Amounts paid on redemption of redeemable units	(41,945,206)	(39,613,956)
Distributions to unitholders of redeemable units	(53,971)	(46,986)
Net cash provided by (used in) financing activities	<u>(11,489,725)</u>	<u>(2,959,571)</u>
Unrealized foreign currency translation gain (loss)	(124)	607
Net increase (decrease) in cash	347,376	(486,313)
Cash (bank overdraft), beginning of period	419,028	904,734
CASH (BANK OVERDRAFT), END OF PERIOD	<u>766,280</u>	<u>419,028</u>
Interest paid ⁽¹⁾	518	304
Interest received, net of withholding taxes ⁽¹⁾	173,108	240,568
Dividends received, net of withholding taxes ⁽¹⁾	7,531,786	7,088,188

⁽¹⁾ Classified as operating items.

Scotia Canadian Index Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.4%				EQUITIES (cont'd)			
Communication Services – 5.9%				Energy (cont'd)			
BCE Inc.	106,127	3,849,881	5,723,429	Kinder Morgan Canada Ltd.	12,300	206,732	195,939
Cineplex, Inc.	7,400	120,712	188,256	MEG Energy Corporation	30,400	1,014,933	234,384
Cogeco Communication Inc.	2,790	105,795	183,526	Mullen Group Limited	11,700	240,037	142,857
Quebecor Inc., Class B	21,500	243,324	617,910	NexGen Energy Ltd.	35,700	126,532	86,037
Rogers Communications, Inc., Class B	42,642	1,054,172	2,983,234	NuVista Energy Ltd.	26,200	179,542	106,896
Shaw Communications, Inc., Class B	52,426	929,045	1,295,446	Parex Resources Inc.	18,900	235,838	309,015
TELUS Corporation	71,002	1,374,613	3,212,840	Parkland Fuel Corporation	15,610	291,902	551,657
		<u>7,677,542</u>	<u>14,204,641</u>	Pason Systems Inc.	8,600	98,112	157,294
Consumer Discretionary – 4.2%				Pembina Pipeline Corporation	59,854	1,586,313	2,424,686
Aritzia Inc., Subordinated Voting	7,300	111,307	119,720	Payto Exploration & Development Corporation	19,000	407,588	134,520
BRP Inc.	5,300	208,668	187,302	PrairieSky Royalty Ltd.	25,098	745,867	443,482
Canada Goose Holdings Inc.	6,900	334,721	411,792	Precision Drilling Corporation	32,700	472,539	77,499
Canadian Tire Corporation, Limited, Class A	7,150	274,747	1,020,591	Secure Energy Services Inc.	20,000	215,880	140,200
Dollarama Inc.	34,700	214,822	1,126,709	Seven Generations Energy Ltd.	33,100	670,333	368,734
Gildan Activewear Inc.	24,596	277,053	1,019,258	ShawCor Ltd.	8,400	168,474	139,272
Great Canadian Gaming Corporation	6,900	144,989	330,303	Suncor Energy, Inc.	191,262	5,462,694	7,292,820
Hudson's Bay Company	13,710	234,645	99,946	TORC Oil & Gas Ltd.	17,700	196,706	77,349
Linamar Corporation	5,400	99,530	244,620	Toumaline Oil Corporation	30,284	988,665	514,222
Magna International Inc.	36,724	794,345	2,275,786	TransCanada Corporation	107,976	3,953,653	5,263,830
Martina International Inc.	10,273	92,902	111,565	Vermilion Energy, Inc.	18,281	759,524	525,762
MTY Food Group Inc.	2,200	139,867	133,408	Whitecap Resources Inc.	49,432	545,401	215,029
Restaurant Brands International Inc.	29,647	1,330,703	2,114,424		<u>44,452,506</u>	<u>42,266,343</u>	
Sleep Country Canada Holdings Inc.	4,400	137,414	87,868	Financials – 33.3%			
Spin Master Corporation	3,300	148,308	126,687	Alaris Royalty Corporation	4,400	144,688	74,756
Stars Group Inc., The	25,600	990,025	577,024	Bank of Montreal	75,614	3,506,008	6,744,013
Uni-Select Inc.	4,890	137,802	94,915	Bank of Nova Scotia, The ¹	145,062	5,829,739	9,871,469
		<u>5,671,848</u>	<u>10,081,918</u>	Brookfield Asset Management Inc., Class A	103,430	1,483,869	5,411,458
Consumer Staples – 4.0%				Canadian Imperial Bank of Commerce	52,507	3,189,658	5,338,912
Alimentation Couche-Tard Inc., Class B	51,680	429,304	3,509,589	Canadian Western Bank	10,500	166,264	273,420
Cott Corporation	16,538	200,232	314,387	CI Financial Corporation	26,500	616,660	457,920
Empire Company Limited, Class A	18,767	343,515	541,053	ECN Capital Corporation	40,820	119,309	140,829
George Weston Limited	8,771	584,802	789,829	Element Fleet Management Corporation	51,320	547,798	354,621
Loblaws Companies Limited	21,272	780,572	1,299,932	Fairfax Financial Holdings Limited	3,286	1,247,130	1,974,820
Maple Leaf Foods Inc.	9,461	124,637	258,569	Genworth MI Canada Inc.	4,597	121,327	184,799
Metro Inc., Class A	28,586	310,050	1,353,261	Great-West Lifeco Inc.	32,655	669,162	920,218
North West Company Inc.	6,000	104,096	188,520	Home Capital Group Inc.	7,300	124,252	105,120
Premium Brands Holdings Corporation	3,500	206,144	262,010	I&M Financial, Inc.	10,036	263,137	311,417
Saputo Inc.	26,392	294,990	1,034,302	Industrial Alliance Insurance and Financial Services Inc.	13,100	333,733	570,767
		<u>3,378,342</u>	<u>9,551,452</u>	Intact Financial Corporation	16,442	759,250	1,630,882
Energy – 17.7%				Laurentian Bank of Canada	4,900	172,624	186,543
ARC Resources Ltd.	42,815	1,016,420	346,802	Manulife Financial Corporation	235,354	4,979,652	4,558,807
Baytex Energy Corporation	64,118	981,500	154,524	National Bank of Canada	39,606	789,204	2,219,916
Birchcliff Energy Ltd.	32,900	297,468	100,016	Onex Corporation, Subordinated Voting	9,761	232,350	725,730
Cameco Corporation	46,620	694,848	721,678	Power Corporation of Canada	43,753	861,841	1,073,261
Canadian Natural Resources Ltd.	142,525	2,926,568	4,694,774	Power Financial Corporation	29,116	536,837	752,066
Cenovus Energy Inc.	121,208	2,068,248	1,163,597	Royal Bank of Canada	170,402	6,705,399	15,922,363
CES Energy Solutions Corporation	29,900	174,530	94,185	Sun Life Financial Inc.	71,241	2,188,446	3,226,505
Computer Modelling Group Ltd.	9,000	114,017	54,810	Thomson Reuters Corporation	21,437	901,515	1,413,341
Crescent Point Energy Corporation	66,171	2,123,981	273,948	TMX Group Inc.	4,300	192,318	304,139
Enbridge Inc.	238,958	8,696,143	10,134,209	Toronto-Dominion Bank, The	216,726	6,093,786	14,707,026
EnCana Corporation	114,177	1,935,483	899,715		<u>42,775,956</u>	<u>79,455,118</u>	
Enerflex Ltd.	10,965	72,760	175,221	Health Care – 1.6%			
Enerplus Corporation	29,030	1,201,262	308,299	Aphria Inc.	25,100	362,240	197,035
Ensign Resource Service, Inc.	15,500	106,159	74,245	Aurora Cannabis Inc.	117,200	1,062,348	794,616
Freehold Royalties Ltd.	11,500	206,804	95,105	Bausch Health Cos Inc.	36,235	1,962,616	914,934
Gibson Energy Inc.	16,800	355,267	313,824	Canopy Growth Corporation	25,100	419,943	918,911
Gran Tierra Energy, Inc.	47,900	282,049	142,742	Chartwell Retirement Residences	25,500	195,158	348,585
Husky Energy Inc.	35,721	625,871	504,023	Cronos Group Inc.	19,600	272,979	281,848
Imperial Oil Ltd.	28,351	770,715	980,661	Extendicare Inc.	10,700	109,110	67,945
Inter Pipeline Ltd.	47,208	602,975	913,003	Knight Therapeutics Inc.	12,549	126,383	96,502
Kelt Exploration Ltd.	18,000	198,907	83,520	Sienna Senior Living Inc.	7,800	138,041	122,772
Keyera Corporation	24,640	433,266	635,958		<u>4,648,818</u>	<u>3,743,148</u>	

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

Scotia Canadian Index Fund (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Industrials – 10.1%				Materials (cont'd)			
Aecon Group Inc.	7,300	139,443	128,553	Intertape Polymer Group Inc.	6,800	107,449	115,056
Air Canada	31,800	104,717	825,528	Ivanhoe Mines Ltd., Class A	64,900	121,201	153,813
ATS Automation Tooling Systems Inc.	8,900	122,046	128,071	Kinross Gold Corporation	146,806	1,484,531	645,946
Badger Daylighting Ltd.	4,300	123,225	138,675	Kirkland Lake Gold Ltd.	21,936	202,278	780,922
Bombardier Inc., Class B	249,484	1,943,439	506,453	Labrador Iron Ore Royalty Corporation	7,900	110,876	191,496
Boyd Group Income Fund	2,300	144,343	259,785	Lucara Diamond Corporation	39,400	146,864	58,312
Brookfield Business Partners LP	4,776	158,213	198,586	Lundin Mining Corporation	76,706	525,796	432,622
CAE, Inc.	31,290	225,768	785,066	MAG Silver Corporation	8,900	148,875	89,000
Canadian National Railway Company	86,094	1,955,373	8,704,964	Methanex Corporation	9,400	159,539	617,204
Canadian Pacific Railway Limited	16,884	938,161	4,089,980	Newsun Resources Ltd.	35,056	168,980	209,985
Chorus Aviation Inc.	15,200	140,313	85,728	New Gold Inc.	68,098	389,024	71,503
Exchange Income Corporation	3,286	136,600	92,862	Norbord Inc.	6,000	200,528	217,800
Finning International Inc.	20,240	257,746	481,712	NovaGold Resources Inc.	27,400	203,930	148,508
Maxar Technologies Ltd.	6,773	309,915	110,468	Nutrien Ltd.	72,326	2,540,505	4,637,543
Morneau Shepell, Inc.	7,400	144,484	185,296	OceanGold Corporation	73,235	231,306	364,710
New Flyer Industries Inc.	6,500	215,505	221,260	Osisko Gold Royalties Ltd.	10,614	169,352	127,050
Richelieu Hardware Ltd.	6,100	185,940	138,409	Pan American Silver Corporation	18,307	308,366	364,859
Ritchie Bros. Auctioneers Incorporated	12,800	271,152	571,648	Pretium Resources Inc.	21,100	236,208	244,127
Russel Metals Inc.	7,600	100,165	162,108	Sandstorm Gold Ltd.	23,100	160,176	145,992
SNC-Lavalin Group Inc.	20,995	534,872	964,090	SEMAFO Inc.	37,461	173,911	110,510
Stantec Inc.	13,600	232,431	406,776	SSR Mining Inc.	14,200	286,115	234,300
TFI International Inc.	9,683	174,964	341,810	Stella-Jones Inc.	6,510	293,865	257,861
Toromont Industries Ltd.	9,765	175,166	529,849	Tahoe Resources Inc.	36,700	574,445	182,399
Transcontinental Inc., Class A	9,000	127,416	173,700	Teck Resources Ltd., Class B	59,864	1,196,066	1,759,403
Waste Connections Inc.	31,214	1,564,486	3,162,915	Torex Gold Resources Inc.	10,290	202,902	133,667
WestJet Airlines Ltd.	13,600	178,246	244,800	Turquoise Hill Resources Ltd.	119,574	593,285	269,042
Westshore Terminals Investment Corporation	5,104	68,511	105,040	West Fraser Timber Co., Ltd.	6,326	142,974	426,625
WSP Global Inc.	7,451	213,430	437,150	Western Forest Products Inc.	47,600	114,683	89,964
		<u>10,886,070</u>	<u>24,181,282</u>	Wheaton Precious Metals Corporation	52,367	845,702	1,395,581
				Winpak Ltd.	3,700	176,555	176,675
Information Technology – 4.0%				Yamana Gold Inc.	113,722	1,119,019	365,048
Celestica Inc.	14,799	254,449	176,996		<u>27,619,849</u>		<u>26,937,903</u>
CGI Group Inc., Class A	29,391	525,684	2,454,149	Real Estate – 3.2%			
Constellation Software Inc.	2,331	420,968	2,036,968	Allied Properties Real Estate Investment Trust	12,180	275,780	539,818
Descartes Systems Group Inc., The	9,200	130,770	331,476	Altus Group Ltd.	4,200	118,336	99,414
Enghouse Systems Limited	2,200	113,866	146,102	Artis Real Estate Investment Trust	15,706	148,481	145,123
Kinaxis Inc.	3,100	154,750	204,290	Boardwalk Real Estate Investment Trust	4,600	54,248	173,926
Open Text Corporation	31,648	371,417	1,408,336	Brookfield Property Partners LP	37,800	846,356	832,356
Research In Motion Limited	56,768	1,919,976	551,217	Canadian Apartment Properties Real Estate Investment Trust	17,040	218,358	754,872
Shopify Inc., Class A	11,120	1,329,117	2,099,345	Choice Properties Real Estate Investment Trust	27,959	333,118	322,088
Sierra Wireless Inc.	3,900	191,978	71,487	Colliers International Group Inc.	3,363	72,521	253,200
		<u>5,412,975</u>	<u>9,480,366</u>	Cominar Real Estate Investment Trust	21,400	295,369	239,680
Materials – 11.3%				Crombie Real Estate Investment Trust	10,600	123,355	132,712
Agnico-Eagle Mines Limited	27,678	988,922	1,525,058	Dream Global Real Estate Investment Trust	23,400	219,130	278,460
Alacer Gold Corporation	33,282	242,764	83,871	Dundee Real Estate Investment Trust	5,553	115,985	123,776
Alamos Gold Inc.	47,006	465,233	230,799	First Capital Realty, Inc.	20,300	351,536	382,655
B2Gold Corporation	117,520	373,193	468,905	FirstService Corporation	3,763	34,131	352,555
Barrick Gold Corporation	138,321	4,306,057	2,549,256	Granite Real Estate Investment Trust	5,400	186,176	287,334
Canfor Corporation	7,883	77,401	130,306	H&R Real Estate Investment Trust	33,469	586,220	691,135
Cascades Inc.	7,900	131,041	80,817	InterRent Real Estate Investment Trust	12,000	141,332	156,600
CCL Industries Inc., Class B	17,150	116,576	858,529	Killam Apartment Real Estate Investment Trust	10,400	145,015	165,776
Centerra Gold Inc.	24,359	231,935	142,744	Northview Apartment Real Estate Investment Trust	6,980	171,060	170,870
Chemtrade Logistics Income Fund	11,400	236,888	119,472	RioCan Real Estate Investment Trust	36,136	658,246	860,037
Detour Gold Corporation	20,479	351,087	236,123	Smart Real Estate Investment Trust	14,049	255,007	433,131
Eldorado Gold Corporation	18,225	828,515	72,900	Tricon Capital Group Inc.	15,600	174,478	151,164
Endeavour Mining Corporation	9,000	189,473	201,060		<u>5,524,238</u>		<u>7,546,682</u>
First Majestic Silver Corporation	19,210	248,808	154,064	Utilities – 4.1%			
First Quantum Minerals Ltd.	81,699	1,073,993	901,957	Algonquin Power & Utilities Corporation	55,976	567,097	768,550
Fortuna Silver Mines Inc.	18,679	132,793	93,395	AltaGas Ltd.	32,000	920,676	444,800
Franco-Nevada Corporation	22,023	913,592	2,108,262	ATCO Ltd., Class I	9,000	119,006	347,490
Goldcorp, Inc.	103,706	2,459,018	1,386,549	Boralex Inc.	8,600	172,810	144,824
HudBay Minerals, Inc.	29,190	333,906	188,567	Brookfield Infrastructure Partners LP	32,705	1,704,781	1,542,041
IAMGOLD Corporation	55,232	458,646	276,712	Brookfield Renew Energy Partners LP	14,700	438,462	519,645
Interfor Corporation	7,700	124,702	111,034				

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

Scotia Canadian Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities (cont'd)			
Canadian Utilities Limited, Class A	13,900	221,340	435,348
Capital Power Corporation	12,190	298,861	324,132
Emera Inc.	27,560	821,185	1,204,648
Fortis Inc.	50,263	1,547,273	2,287,469
Hydro One Limited	36,400	861,428	737,100
Innergex Renewable Energy Inc.	13,000	141,396	163,020
Northland Power Inc.	13,700	198,850	297,290
Superior Plus Corporation	21,080	345,789	204,054
TransAlta Corporation	33,223	678,885	185,717
TransAlta Renewables Inc.	11,600	144,543	120,292
		<u>9,182,382</u>	<u>9,726,420</u>
Transaction Costs		(1,950,397)	
TOTAL INVESTMENT PORTFOLIO		<u>165,280,129</u>	<u>237,175,273</u>
Unrealized Gain (Loss) on Derivatives – 0.0%			(14)
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>1,706,163</u>
NET ASSETS – 100.0%			<u>238,881,422</u>

† Investment in related party (note 10)

Scotia Canadian Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	4,606	–	4,606	0.0
	4,606	–	4,606	0.0

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	36,577	–	36,577	0.0
	36,577	–	36,577	0.0

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$461 or approximately 0.0% of net assets (December 31, 2017 – \$3,658 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.4% (December 31, 2017 – 99.7%)

of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$23,717,527 (December 31, 2017 – \$27,491,454). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	5.9	–
Consumer Discretionary	4.2	6.0
Consumer Staples	4.0	3.7
Energy	17.7	19.6
Financials	33.3	33.3
Health Care	1.6	0.8
Industrials	10.1	9.5
Information Technology	4.0	3.2
Materials	11.3	11.5
Real Estate	3.2	2.8
Telecommunication Services	–	4.7
Utilities	4.1	4.6

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
December 31, 2018				
Equities	237,175,273	–	–	237,175,273
	237,175,273	–	–	237,175,273
Unrealized loss on currency spot contracts	–	(14)	–	(14)
	237,175,273	(14)	–	237,175,259

	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
December 31, 2017				
Equities	274,914,538	–	–	274,914,538
	274,914,538	–	–	274,914,538

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Canadian Index 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, 2018 or December 31, 2017.

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

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

Scotia U.S. Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	310,116,088	241,515,325
Cash	77,794	732,216
Receivable for securities sold	92,605	256,969
Subscriptions receivable	644,775	465,155
Accrued investment income and other	305,241	207,718
	<u>311,236,503</u>	<u>243,177,383</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	209,381	84,783
Redemptions payable	345,350	286,227
Distributions payable	416	337
	<u>555,147</u>	<u>371,347</u>
Net assets attributable to holders of redeemable units	<u>310,681,356</u>	<u>242,806,036</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	307,744,584	241,262,736
Series D	2,339,598	1,104,068
Series F	597,174	439,232
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	30.77	30.24
Series D	12.97	12.75
Series F	30.67	30.15

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	6,171,883	4,486,979
Interest for distribution purposes	6,294	5,134
Net realized gain (loss) on non-derivative financial assets	3,128,884	1,333,028
Change in unrealized gain (loss) on non-derivative financial assets	(1,461,782)	21,753,196
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	7,845,279	27,578,337
Securities lending (note 11)	2,571	1,406
Net realized and unrealized foreign currency translation gain (loss)	14,730	(16,390)
Other income	8,595	10,344
Total income (loss), net	<u>7,871,175</u>	<u>27,573,697</u>
EXPENSES		
Management fees (note 5)	2,367,340	1,704,380
Fixed administration fees (note 6)	504,409	362,610
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	777	528
Foreign withholding taxes/tax reclaims	854,052	674,034
Harmonized Sales Tax/Goods and Services Tax	318,667	232,534
Transaction costs	6,684	4,697
Total expenses	<u>4,053,178</u>	<u>2,979,918</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>3,817,997</u>	<u>24,593,779</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	3,792,899	24,506,255
Series D	19,594	53,767
Series F	5,504	33,757
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.42	3.29
Series D	0.13	1.47
Series F	0.34	3.41
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	9,117,958	7,452,049
Series D	156,541	36,469
Series F	16,270	9,896

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

Scotia U.S. Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	241,262,736	182,159,266
Series D	1,104,068	242,241
Series F	439,232	178,328
	<u>242,806,036</u>	<u>182,579,835</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	3,792,899	24,506,255
Series D	19,594	53,767
Series F	5,504	33,757
	<u>3,817,997</u>	<u>24,593,779</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(1,937,996)	(1,519,596)
Series D	(20,243)	(13,387)
Series F	(6,610)	(5,262)
	<u>(1,964,849)</u>	<u>(1,538,245)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	107,169,806	69,657,143
Series D	1,905,588	947,112
Series F	247,758	395,768
Reinvested distributions		
Series A	1,927,435	1,499,085
Series D	19,612	12,893
Series F	5,617	4,786
Payments on redemption		
Series A	(44,470,296)	(35,039,417)
Series D	(689,021)	(138,558)
Series F	(94,327)	(168,145)
	<u>66,022,172</u>	<u>37,170,667</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	66,481,848	59,103,470
Series D	1,235,530	861,827
Series F	157,942	260,904
	<u>67,875,320</u>	<u>60,226,201</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	307,744,584	241,262,736
Series D	2,339,598	1,104,068
Series F	597,174	439,232
	<u>310,681,356</u>	<u>242,806,036</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	3,817,997	24,593,779
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,128,884)	(1,333,028)
Change in unrealized (gain) loss on non-derivative financial assets	1,461,782	(21,753,196)
Unrealized foreign currency translation (gain) loss	1,331	(1,945)
Other non-cash transactions	(213,483)	(125,441)
Purchases of non-derivative financial assets and liabilities	(76,334,244)	(43,525,175)
Proceeds from sale of non-derivative financial assets and liabilities	9,903,029	6,620,439
Accrued investment income and other	(97,523)	(9,885)
Accrued expenses and other payables	-	(5,377)
Net cash provided by (used in) operating activities	<u>(64,589,995)</u>	<u>(35,539,829)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	108,865,191	70,336,879
Amounts paid on redemption of redeemable units	(44,916,181)	(34,657,362)
Distributions to unitholders of redeemable units	(12,106)	(21,388)
Net cash provided by (used in) financing activities	<u>63,936,904</u>	<u>35,658,129</u>
Unrealized foreign currency translation gain (loss)	(1,331)	1,945
Net increase (decrease) in cash	(653,091)	118,300
Cash (bank overdraft), beginning of period	732,216	611,971
CASH (BANK OVERDRAFT), END OF PERIOD	<u>77,794</u>	<u>732,216</u>
Interest paid ⁽¹⁾	777	528
Interest received, net of withholding taxes ⁽¹⁾	6,294	5,401
Dividends received, net of withholding taxes ⁽¹⁾	5,006,825	3,677,518

⁽¹⁾ Classified as operating items.

Scotia U.S. Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES – 99.8%				EQUITIES (cont'd)			
Communication Services – 10.1%				Consumer Discretionary (cont'd)			
Activision Blizzard Inc.	8,209	500,473	521,489	Mattel, Inc.	3,439	99,974	46,865
Alphabet Inc., Class A	3,235	3,078,226	4,611,293	McDonald's Corporation	8,316	1,019,219	2,014,340
Alphabet Inc., Class C	3,320	2,321,551	4,690,109	MGM Resorts International	5,427	228,001	179,597
AT&T Inc.	78,556	3,768,296	3,058,313	Michael Kors Holdings Limited	1,543	123,869	79,815
CBS Corporation, Class B	3,603	206,977	214,879	Mohawk Industries, Inc.	671	145,803	107,055
CenturyLink Inc.	10,064	453,671	207,985	Newell Brands Inc.	4,721	225,126	119,719
Charter Communications Inc., Class A	1,904	721,238	740,141	NIKE, Inc., Class B	13,737	689,913	1,389,291
Comcast Corporation, Class A	49,181	1,473,026	2,284,352	Nordstrom, Inc.	1,222	59,316	77,696
Discovery Communications, Inc.	5,551	156,318	178,744	Norwegian Cruise Line Holdings Ltd.	2,385	172,454	137,911
DISH Network Corporation	2,361	180,043	80,420	O'Reilly Automotive, Inc.	873	152,732	410,051
Electronic Arts Inc.	3,266	266,295	351,558	Polo Ralph Lauren Corporation	597	80,891	84,255
Facebook Inc.	25,991	3,535,622	4,647,733	PulteGroup Inc.	2,853	63,391	101,148
Interpublic Group of Companies, Inc., The	3,982	145,049	112,060	PVH Corporation	845	116,205	107,141
Netflix Inc.	4,711	753,545	1,720,066	Ross Stores, Inc.	3,997	200,159	453,635
News Corporation, Class A	4,217	60,702	65,290	Royal Caribbean Cruises Ltd.	1,842	210,330	245,716
News Corporation, Class B	1,283	22,850	20,214	Starbucks Corporation	13,475	605,363	1,183,759
Omnicom Group Inc.	2,407	179,565	240,477	Tapestry Inc.	3,020	138,301	139,037
Take-Two Interactive Software Inc.	1,220	174,562	171,314	Target Corporation	5,669	400,279	511,082
TripAdvisor Inc.	1,139	69,602	83,808	Tiffany & Company	1,139	105,935	125,090
Twenty-First Century Fox Inc.	11,513	381,154	755,723	TJX Companies, Inc., The	13,376	412,677	816,340
Twenty-First Century Fox Inc., Class B	5,193	218,836	338,464	Tractor Supply Company	1,317	118,851	149,902
Twitter Inc.	7,668	385,133	300,620	Ultra Salon Cosmetics & Fragrance Inc.	603	170,580	201,395
Verizon Communications Inc.	44,596	2,617,655	3,420,073	Under Armour Inc., Class A	2,082	112,679	50,184
Viacom Inc., Class B	3,755	210,349	131,641	Under Armour Inc., Class C	2,134	20,018	47,071
Walt Disney Company, The	16,073	1,522,233	2,404,109	VF Corporation	3,464	206,076	337,101
		<u>23,402,971</u>	<u>31,350,875</u>	Whirlpool Corporation	667	102,608	97,237
				Wynn Resorts Limited	1,023	145,861	138,027
				Yum! Brands, Inc.	3,377	213,266	423,438
						<u>19,046,403</u>	<u>30,825,299</u>
Consumer Discretionary – 9.9%				Consumer Staples – 7.4%			
Advance Auto Parts Inc.	794	154,611	170,545	Altria Group Inc.	20,220	1,038,603	1,362,288
Amazon.com, Inc.	4,441	3,994,820	9,098,937	Archer-Daniels-Midland Company	6,165	258,067	344,546
Aptiv PLC	2,849	210,602	239,282	Brown-Forman Corporation, Class B	1,783	72,264	115,724
AutoZone, Inc.	286	158,186	327,066	Campbell Soup Company	1,985	112,754	89,329
Best Buy Co., Inc.	2,565	130,834	185,304	Church & Dwight Co., Inc.	2,606	159,142	233,768
Booking Holdings Inc.	500	660,426	1,174,783	Clorox Company, The	1,369	166,197	287,851
BorgWarner, Inc.	2,201	110,844	104,303	Coca-Cola Company, The	41,355	1,974,378	2,671,140
CarlMax, Inc.	1,913	103,082	163,696	Colgate-Palmolive Company	9,330	627,099	757,518
Carnival Corporation	4,358	258,830	293,078	ConAgra Foods, Inc.	5,328	222,323	155,244
Chipotle Mexican Grill, Inc.	263	121,153	154,909	Constellation Brands, Inc., Class A	1,786	255,735	391,805
D.R. Horton, Inc.	3,678	152,546	173,896	Costco Wholesale Corporation	4,736	757,714	1,316,051
Darden Restaurants, Inc.	1,307	90,271	178,039	Coty Inc., Class A	4,824	138,999	43,168
Dollar General Corporation	2,815	231,300	415,023	Estee Lauder Companies Inc., The	2,390	220,756	424,154
Dollar Tree Inc.	2,624	220,772	323,293	General Mills, Inc.	6,341	333,246	336,823
eBay Inc.	9,935	246,098	380,416	Hershey Company, The	1,497	132,465	218,869
Expedia, Inc.	1,262	136,966	193,927	Hormel Foods Corporation	2,886	86,888	168,023
Foot Locker, Inc.	1,270	102,118	92,165	J.M. Smucker Company, The	1,192	135,979	152,016
Ford Motor Company	42,178	695,595	440,145	Kellogg Company	2,813	202,657	218,761
GAP Inc., The	2,375	94,304	83,456	Kimberly-Clark Corporation	3,741	434,613	581,450
Garmin Ltd.	1,277	75,180	110,301	Kraft Heinz Company, The	6,729	465,883	395,068
General Motors Company	14,219	608,416	648,804	Kroger Company, The	8,782	249,867	329,439
Genuine Parts Company	1,578	139,096	206,689	Lamb Weston Holdings Inc.	1,553	158,328	155,834
Goodyear Tire & Rubber Company, The	2,417	84,983	67,293	McCormick & Company, Inc.	1,296	116,643	246,160
H&R Block, Inc.	2,285	66,453	79,078	Molson Coors Brewing Company, Class B	1,989	168,750	152,374
Hanesbrands Inc.	3,889	142,704	66,472	Mondelez International, Inc.	15,750	609,583	860,032
Harley-Davidson, Inc.	1,821	100,367	84,755	Monster Beverage Corporation	4,325	225,628	290,386
Hasbro, Inc.	1,254	99,089	138,986	PepsiCo, Inc.	15,241	1,574,254	2,296,919
Hilton Worldwide Holdings Inc.	3,181	300,336	311,556	Philip Morris International Inc.	16,795	1,495,247	1,529,484
Home Depot Inc., The	12,228	1,571,162	2,866,010	Procter & Gamble Company, The	26,889	2,472,577	3,371,579
Kohl's Corporation	1,806	123,524	163,434	Sysco Corporation	5,117	251,278	437,375
L Brands Inc.	2,506	140,892	87,752	Tyson Foods, Inc.	3,120	168,523	227,271
Leggett & Platt, Incorporated	1,311	59,133	64,094	Walgreens Boots Alliance Inc.	8,701	654,112	811,016
Lennar Corporation, Class A	3,273	214,821	174,794	Walmart Inc.	15,384	1,338,753	1,954,793
LKQ Corporation	3,449	145,606	111,645			<u>17,279,305</u>	<u>22,926,258</u>
Lowe's Companies, Inc.	8,648	566,201	1,089,553				
Macy's, Inc.	3,279	126,198	133,203				
Marriott International Inc., Class A	3,071	269,007	454,719				

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Energy – 5.3%				Financials (cont'd)			
Anadarko Petroleum Corporation	5,555	385,392	332,203	Hartford Financial Services Group Inc., The	3,835	199,535	232,534
Apache Corporation	4,082	258,515	146,168	Huntington Bancshares Incorporated	11,591	161,665	188,472
Baker Hughes, a GE company	5,477	270,530	160,631	IntercontinentalExchange Inc.	6,102	380,927	627,031
Cabot Oil & Gas Corporation	4,709	124,388	143,567	Invesco Limited	4,409	148,768	100,680
Chevron Corporation	20,625	2,409,128	3,060,776	Jefferies Financial Group Inc.	3,030	94,637	71,753
Cimarex Energy Company	1,016	147,158	85,443	JPMorgan Chase & Co.	35,994	3,025,230	4,793,112
Concho Resources Inc.	2,207	355,780	309,458	KeyCorp.	11,236	213,941	226,535
ConocoPhillips	12,474	748,766	1,060,940	Lincoln National Corporation	2,300	148,455	160,982
Devon Energy Corporation	5,318	269,738	163,512	Loews Corporation	2,915	137,258	181,005
Diamondback Energy Inc.	1,716	248,624	216,993	M&T Bank Corporation	1,528	232,826	298,334
EOG Resources, Inc.	6,278	576,137	746,855	Marsh & McLennan Companies, Inc.	5,442	390,168	592,022
Exxon Mobil Corporation	45,685	4,197,858	4,249,550	MetLife, Inc.	10,727	544,399	600,822
FMC Technologies, Inc.	4,688	188,988	125,213	Moody's Corporation	1,790	170,517	341,943
Halliburton Company	9,353	435,438	339,121	Morgan Stanley	14,254	687,865	770,954
Heilemich & Payne, Inc.	1,145	79,565	74,878	MSCI Inc.	950	180,025	191,055
Hess Corporation	2,702	172,267	149,276	NASDAQ OMX Group, Inc., The	1,215	77,995	135,193
HollyFrontier Corporation	1,747	166,606	121,824	Northern Trust Corporation	2,382	230,959	271,609
Kinder Morgan Inc.	20,788	700,761	436,132	People's United Financial Inc.	4,006	88,901	78,854
Marathon Oil Corporation	9,297	193,381	181,861	PNC Financial Services Group, Inc., The	4,950	604,793	789,415
Marathon Petroleum Corporation	7,488	462,802	602,754	Principal Financial Group, Inc.	2,808	153,095	169,189
National-Oilwell Varco Inc.	4,052	205,656	142,053	Progressive Corporation, The	6,278	258,506	516,658
Newfield Exploration Company	2,182	99,933	43,635	Prudential Financial, Inc.	4,426	398,799	492,361
Noble Energy, Inc.	5,061	223,748	129,514	Raymond James Financial Inc.	1,380	149,673	140,074
Occidental Petroleum Corporation	8,221	634,321	688,335	Regions Financial Corporation	11,743	193,737	214,330
ONEOK, Inc.	4,377	260,639	322,119	S&P Global Inc.	2,706	320,593	627,295
Phillips 66 Company	4,598	341,225	540,347	Slate Street Corporation	4,098	359,025	352,568
Pioneer Natural Resources Company	1,815	294,025	325,624	SunTrust Banks Inc.	4,996	288,947	343,753
Schlumberger Limited	14,871	1,206,106	731,906	SVB Financial Group	559	196,484	144,821
Valero Energy Corporation	4,607	309,708	471,145	Synchrony Financial	7,188	266,089	230,030
Williams Companies Inc., The	13,043	507,627	392,315	T. Rowe Price Group Inc.	2,591	213,704	326,296
		16,474,810	16,494,148	Torchmark Corporation	1,103	58,276	112,139
Financials – 13.3%				Travelers Companies, Inc., The	2,893	306,819	472,577
Affiliated Managers Group, Inc.	557	122,760	74,036	U.S. Bancorp	16,422	794,106	1,023,743
Aflac, Inc.	8,184	292,151	508,625	Unum Group	2,384	111,557	95,545
Allstate Corporation, The	3,734	270,029	420,882	Wells Fargo & Company	45,731	2,643,898	2,874,563
American Express Company	7,528	623,196	978,841	Willis Towers Watson PLC	1,379	246,109	285,665
American International Group, Inc.	9,464	773,227	508,780	Zions Bancorporation	2,032	89,425	112,926
Ameriprise Financial, Inc.	1,510	151,526	214,982			32,060,167	41,447,776
Aon PLC	2,612	264,875	517,925	Health Care – 15.5%			
Arthur J. Gallagher & Co.	1,940	136,589	195,037	Abbott Laboratories	18,971	1,001,063	1,871,791
Assurant, Inc.	573	47,061	69,909	AbbVie Inc.	16,234	1,183,660	2,041,540
Bank of America Corporation	98,511	2,735,838	3,311,113	ABIOMED Inc.	488	244,439	216,374
Bank of New York Mellon Corporation, The	9,790	501,398	628,602	Agilent Technologies, Inc.	3,411	239,246	313,889
BB&T Corporation	8,429	418,048	498,096	Alexion Pharmaceuticals, Inc.	2,373	356,352	315,157
Berkshire Hathaway Inc., Class B	21,041	3,578,707	5,860,413	Align Technology Inc.	776	183,282	221,692
BlackRock, Inc.	1,311	516,997	702,498	Allergan PLC	3,408	895,864	621,369
Brighthouse Financial Inc.	1,225	74,651	50,933	AmerisourceBergen Corporation	1,677	117,214	170,198
Capital One Financial Corporation	5,150	442,353	531,031	Amgen Inc.	6,940	1,057,831	1,842,923
CBOE Holdings Inc.	1,210	142,267	161,475	Anthem, Inc.	2,789	449,685	999,175
Charles Schwab Corporation, The	12,927	540,151	732,333	Baxter International Inc.	5,315	290,044	477,210
Chubb Ltd.	5,014	677,015	883,544	Becton, Dickinson and Company	2,903	562,718	892,268
Cincinnati Financial Corporation	1,592	110,667	168,130	Biogen Inc.	2,163	546,718	887,884
Citigroup Inc.	26,376	2,199,802	1,873,103	Boston Scientific Corporation	14,866	384,616	716,654
Citizens Financial Group Inc.	5,107	187,315	207,114	Bristol-Myers Squibb Company	17,645	1,244,742	1,251,142
CME Group Inc.	3,870	536,597	993,104	Cardinal Health, Inc.	3,305	251,502	201,074
Comerica Incorporated	1,748	127,786	163,789	Celgene Corporation	7,562	686,544	661,113
Discover Financial Services	3,636	180,716	292,535	Centene Corporation	2,258	245,594	355,142
E*Trade Financial Corporation	2,759	110,336	165,146	Cerner Corporation	3,526	212,094	252,228
Everest Re Group Ltd.	423	138,984	125,651	CIGNA Corporation	4,138	705,502	1,072,037
Fifth Third Bancorp	7,032	224,782	225,709	Cooper Companies Inc., The	520	137,224	180,526
First Horizon National Corporation	5	143	84	CVS Health Corporation	13,978	1,133,909	1,249,302
First Republic Bank	1,767	209,381	209,462	DanaHER Corporation	6,674	511,403	938,810
Franklin Resources, Inc.	3,182	140,948	128,742	Davita, Inc.	1,395	78,005	97,925
Goldman Sachs Group, Inc., The	3,771	816,165	859,314	DENTSPLY SIRONA Inc.	2,406	154,717	122,125

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Health Care (cont'd)				Industrials (cont'd)			
Laboratory Corporation of America Holdings	1,078	153,191	185,813	Fortune Brands Home & Security Inc.	1,494	111,671	77,423
Edwards Lifesciences Corporation	2,256	213,910	471,369	General Dynamics Corporation	2,995	453,591	642,282
Eli Lilly and Company	10,251	946,457	1,618,167	General Electric Company	94,091	2,942,965	971,611
Gilead Sciences, Inc.	14,046	1,001,031	1,198,474	Harris Corporation	1,265	133,103	232,352
HCA Healthcare Inc.	2,907	300,724	493,502	Honeywell International Inc.	8,032	969,435	1,447,574
Henry Schein Inc.	1,649	155,530	176,624	Huntington Ingalls Industries Inc.	456	132,472	118,379
Hologic Inc.	2,939	140,814	164,775	IHS Markit Ltd.	3,915	243,940	256,183
Humana Inc.	1,498	273,320	585,403	Illinois Tool Works Inc.	3,285	367,874	567,710
Idexx Laboratories Inc.	912	165,631	231,421	Ingersoll-Rand PLC	2,630	194,644	327,297
illumina Inc.	1,581	413,045	646,845	Jacobs Engineering Group, Inc.	1,245	86,167	99,283
Incyte Corporation	1,893	295,405	164,206	JB Hunt Transport Services Inc.	938	113,143	119,048
Intuitive Surgical, Inc.	1,236	364,137	807,477	Johnson Controls International PLC	9,866	518,417	399,038
IQVIA Holdings Inc.	1,712	213,463	271,298	Kansas City Southern	1,061	129,341	138,147
Johnson & Johnson	29,010	3,449,478	5,106,865	L-3 Communications Holdings, Inc.	827	131,077	195,909
McKesson Corporation	2,135	312,904	321,729	Linde PLC	5,956	1,001,150	1,267,766
Medtronic PLC	14,479	1,268,553	1,796,543	Lockheed Martin Corporation	2,660	618,980	950,093
Merck & Co., Inc.	28,070	1,897,026	2,925,777	Masco Corporation	3,284	114,157	130,987
Mettler-Toledo International Inc.	272	162,978	209,851	Nielsen Holdings PLC	3,750	175,257	119,342
Mylan N.V.	5,598	259,090	209,234	Norfolk Southern Corporation	3,016	322,181	615,230
Nektar Therapeutics	1,816	226,248	81,426	Northrop Grumman Corporation	1,872	358,006	625,379
PerkinElmer Inc.	1,193	68,791	127,831	PACCAR Inc.	3,752	220,909	292,450
Perigo Company PLC	1,330	181,183	70,303	Parker-Hannifin Corporation	1,441	186,806	293,161
Pfizer Inc.	62,384	2,478,237	3,714,549	Pentair Ltd.	1,740	106,579	89,673
Quest Diagnostics Incorporated	1,447	125,188	164,364	Quanta Services, Inc.	1,518	52,484	62,329
Regeneron Pharmaceuticals, Inc.	843	343,871	429,504	Raytheon Company	3,104	424,469	649,313
ResMed Inc.	1,535	160,929	238,433	Republic Services, Inc.	2,302	119,637	226,375
Stryker Corporation	3,336	396,065	713,316	Robert Half International, Inc.	1,277	70,596	99,640
Thermo Fisher Scientific, Inc.	4,370	691,264	1,334,046	Rockwell Automation, Inc.	1,305	174,751	267,879
UnitedHealth Group Incorporated	10,383	1,551,733	3,528,418	Rollins Inc.	1,516	79,284	74,654
Universal Health Services Inc., Class B	922	128,725	146,598	Roper Technologies Inc.	1,103	219,183	401,009
Varian Medical Systems Inc.	971	84,567	150,085	Snap-on Incorporated	614	83,367	121,689
Vertex Pharmaceuticals Incorporated	2,770	369,432	626,148	Southwest Airlines Company	5,524	217,469	350,242
Waters Corporation	824	114,401	212,047	Stanley Black & Decker Inc.	1,616	196,642	263,955
WellCare Health Plans Inc.	525	206,552	169,077	Textron Inc.	2,667	129,888	167,315
Zimmer Biomet Holdings Inc.	2,184	247,910	309,004	TransDigm Group Inc.	513	184,614	237,970
Zoetis Inc.	5,192	310,636	605,832	Union Pacific Corporation	7,931	727,086	1,495,474
		<u>32,546,387</u>	<u>48,175,902</u>	United Continental Holdings Inc.	2,527	204,634	288,626
				United Parcel Service, Inc., Class B	7,520	878,870	1,000,471
Industrials – 9.6%				United Rentals, Inc.	858	125,841	120,002
3M Company	6,279	1,073,178	1,632,019	United Technologies Corporation	8,772	1,032,149	1,274,135
Alaska Air Group Inc.	1,273	113,382	105,667	Verisk Analytics, Inc.	1,764	205,214	262,381
Allegion Public Limited Company	1,021	75,285	111,016	W.W. Grainger, Inc.	489	109,466	188,348
American Airlines Group Inc.	4,394	289,393	192,464	Waste Management, Inc.	4,203	289,915	510,210
Ametek Inc.	2,575	172,171	237,801	Xylem, Inc.	1,883	96,771	171,378
AO Smith Corporation	1,549	108,680	90,225			<u>22,704,876</u>	<u>29,744,342</u>
Arconic Inc.	4,601	208,883	105,818	Information Technology – 20.1%			
Boeing Company, The	5,712	1,092,092	2,512,850	Accenture PLC, Class A	6,863	849,680	1,320,117
C.H. Robinson Worldwide, Inc.	1,464	120,482	167,932	Adobe Systems Incorporated	5,274	660,166	1,627,639
Caterpillar Inc.	6,376	677,726	1,105,198	Advanced Micro Devices Inc.	9,608	188,306	241,943
Cintas Corporation	915	98,167	209,678	Akamai Technologies, Inc.	1,831	115,977	152,558
Copart Inc.	2,220	165,260	144,693	Alliance Data Systems Corporation	490	144,062	100,315
CSX Corporation	8,701	311,871	737,427	Amphenol Corporation	3,219	194,659	355,764
Cummins Inc.	1,603	208,526	292,226	Analog Devices Inc.	3,963	333,884	463,993
Deere & Company	3,459	389,680	703,851	ANSYS Inc.	896	153,971	174,707
Delta Air Lines, Inc.	6,724	294,217	457,696	Apple Inc.	48,735	5,670,777	10,486,521
Dover Corporation	1,587	99,604	153,595	Applied Materials, Inc.	10,765	392,960	480,774
Eaton Corporation	4,748	331,582	444,696	Arista Networks Inc.	585	222,402	168,139
Emerson Electric Company	6,842	435,265	557,660	Autodesk, Inc.	2,379	203,790	417,367
Equifax Inc.	1,270	128,017	161,340	Automatic Data Processing, Inc.	4,706	473,222	841,724
Expeditors International of Washington, Inc.	1,870	111,297	173,690	Broadcom Ltd.	4,467	1,048,071	1,549,447
Fastenal Company	3,042	145,724	216,983	Broadridge Financial Solutions Inc.	1,308	196,326	171,734
FedEx Corporation	2,647	472,620	582,529	Cadence Design Systems Inc.	3,038	149,224	180,188
Flowserve Corporation	1,332	65,162	69,082	Cisco Systems, Inc.	48,532	1,997,938	2,868,570
Fluor Corporation	1,451	79,398	63,734	Citrix Systems, Inc.	1,356	107,069	189,523
Fortive Corporation	3,302	183,019	304,760				

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)	Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)				EQUITIES (cont'd)			
Information Technology (cont'd)				Materials (cont'd)			
Cognizant Technology Solutions Corporation	6,329	372,322	548,051	International Paper Company	4,382	250,868	241,253
Corning Incorporated	8,598	303,904	354,321	LyondellBasell Industries NV, Class A – ADR	3,420	307,286	387,962
DXC Technology Company	2,973	259,156	215,631	Martin Marietta Materials Inc.	666	130,063	156,143
F5 Networks, Inc.	665	103,076	146,983	Mosaic Company, The	3,734	174,462	148,783
Fidelity National Information Service, Inc.	3,542	281,248	495,488	Newmont Mining Corporation	5,642	225,954	266,677
Fiserv, Inc.	4,365	186,442	437,584	Nucor Corporation	3,342	206,245	236,194
FleetCor Technologies Inc.	983	283,669	249,035	Packaging Corporation of America	1,022	139,502	116,353
FLIR Systems, Inc.	1,469	65,390	87,249	PPG Industries, Inc.	2,613	232,870	364,390
Fortinet Inc.	1,571	162,718	150,932	Sealed Air Corporation	1,752	78,334	83,265
Gartner Inc., Class A	972	148,425	169,505	Shervin-Williams Company, The	894	251,196	479,829
Global Payments Inc.	1,684	181,879	236,906	Vulcan Materials Company	1,410	147,279	190,031
Hewlett Packard Enterprise Company	15,578	197,552	280,713	WestRock Company	2,697	169,555	138,919
HP Inc.	17,174	648,084	479,320			<u>5,825,740</u>	<u>7,182,700</u>
Intel Corporation	49,400	2,186,937	3,162,468	Real Estate – 3.0%			
International Business Machines Corporation	9,789	1,721,395	1,517,864	Alexandria Real Estate Equities, Inc.	1,178	176,599	185,181
Intuit Inc.	2,810	376,909	754,554	American Tower Corporation	4,787	551,667	1,032,978
IPG Photonics Corporation	367	113,287	56,716	Apartment Investment & Management Company	1,695	71,392	101,458
Jack Henry & Associates Inc.	814	152,287	140,486	AvalonBay Communities Inc.	1,476	275,620	350,436
Juniper Networks, Inc.	3,722	107,743	136,628	Boston Properties Inc.	1,707	228,171	262,076
Keysight Technologies Inc.	1,977	151,145	167,420	CB Richard Ellis Group, Inc.	3,440	138,140	187,889
KLA-Tencor Corporation	1,646	146,276	200,934	Crown Castle International Corporation	4,523	465,494	670,232
Lam Research Corporation	1,704	190,427	316,519	Digital Realty Trust Inc.	2,211	293,897	321,359
MasterCard, Inc., Class A	9,810	1,070,231	2,524,495	Duke Realty Corporation	4,036	140,130	142,593
Maxim Integrated Products Inc.	2,949	219,143	204,557	Equinix Inc.	873	367,735	419,852
Microchip Technology Incorporated	2,620	191,472	257,039	Equity Residential Real Estate Investment Trust	3,934	276,581	354,236
Micron Technology, Inc.	12,481	455,219	540,217	Essex Property Trust, Inc.	705	179,526	235,817
Microsoft Corporation	83,548	5,923,302	11,575,777	Extra Space Storage Inc.	1,365	161,620	168,474
Motorola Solutions, Inc.	1,744	188,970	273,681	Federal Realty Investment Trust	780	150,781	125,595
NetApp, Inc.	2,812	150,473	228,886	Four Corners Property Trust Inc.	1	26	36
NVIDIA Corporation	6,594	807,716	1,200,823	HCP, Inc. Real Estate Investment Trust	5,226	193,459	199,108
Oracle Corporation	27,540	1,198,126	1,696,174	Host Hotels & Resorts Inc.	7,953	185,515	180,849
Paychex, Inc.	3,425	203,867	304,385	Iron Mountain Incorporated	3,021	119,753	133,561
PayPal Holdings Inc.	12,787	676,077	1,466,769	Kimco Realty Corporation	4,546	109,703	90,848
Qorvo Inc.	1,337	130,658	110,760	Macerich Company, The	1,162	90,352	68,603
QUALCOMM, Inc.	13,176	891,924	1,022,871	Mid-America Apartment Communities Inc.	1,241	151,600	162,006
Red Hat, Inc.	1,898	167,240	454,745	ProLogis	6,876	431,166	550,770
Salesforce.com, Inc.	8,266	837,255	1,544,434	Public Storage Real Estate Investment Trust	1,642	328,271	453,371
Seagate Technology PLC	2,831	130,637	149,026	Realty Income Corporation	3,166	213,381	272,255
Skyworks Solutions, Inc.	1,891	225,381	172,880	Regency Centers Corporation	1,779	155,769	142,402
Symantec Corporation	7,003	216,464	180,501	SBA Communications Corporation, Class A	1,219	237,192	269,198
Synopsys Inc.	1,606	160,776	184,549	Simon Property Group Inc.	3,323	570,063	761,487
TE Connectivity Ltd.	3,737	258,684	385,537	SL Green Realty Corporation	937	145,091	101,078
Texas Instruments Incorporated	10,417	830,043	1,342,836	UDR Inc.	3,025	142,852	163,489
Total System Services, Inc.	1,768	97,268	196,051	Ventas Inc.	3,852	263,401	307,864
VeriSign, Inc.	1,156	112,791	233,840	Vornado Realty Trust Real Estate Investment Trust	1,826	185,217	154,508
Visa Inc., Class A	19,032	1,543,438	3,425,386	Welltower Inc.	4,032	296,901	381,761
Western Digital Corporation	3,176	239,309	160,169	Weyerhaeuser Company	8,113	304,285	241,925
Western Union Company	4,719	108,712	109,819			<u>7,601,350</u>	<u>9,193,295</u>
Xerox Corporation	2,427	119,922	65,419	Utilities – 3.3%			
Xilinx Inc.	2,752	193,869	319,730	AES Corporation, The	7,194	167,349	141,902
		<u>38,791,722</u>	<u>62,427,686</u>	Alliant Energy Corporation	2,514	130,764	144,891
Materials – 2.3%				Ameren Corporation	2,646	154,596	235,443
Air Products and Chemicals, Inc.	2,362	350,467	515,685	American Electric Power Company Inc.	5,306	352,051	540,965
Albemarle Corporation	1,134	130,512	119,219	American Water Works Co., Inc.	1,912	185,598	236,744
Avery Dennison Corporation	904	78,902	110,774	CentrePoint Energy, Inc.	5,483	163,253	211,144
Ball Corporation	3,682	138,099	230,941	CMS Energy Corporation	3,006	151,005	203,590
Celanese Corporation – Series A	1,467	173,283	180,043	Consolidated Edison, Inc.	3,335	258,143	347,839
CF Industries Holdings, Inc.	2,541	113,435	150,814	Dominion Resources, Inc.	7,109	534,332	692,979
DowDuPont Inc.	24,740	1,523,034	1,804,844	DTE Energy Company	1,965	187,698	295,656
Eastman Chemical Company	1,478	114,795	147,401	Duke Energy Corporation	7,712	663,268	907,876
Ecolab Inc.	2,736	312,558	549,939	Edison International	3,527	236,490	273,132
FMC Corporation	1,461	101,445	147,399	Entergy Corporation	1,943	160,124	228,125
Freeport-McMoRan Copper & Gold Inc.	15,607	337,992	219,496	Energy Inc.	2,947	207,141	228,217
International Flavors & Fragrances Inc.	1,072	137,604	196,346				

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, 2018

Issuer	Number of Shares	Average Cost (\$)	Carrying Value (\$)
EQUITIES (cont'd)			
Utilities (cont'd)			
Eversource Energy	3,371	185,735	299,080
Exelon Corporation	10,476	473,351	644,497
FirstEnergy Corporation	5,225	245,633	267,636
NextEra Energy, Inc.	5,166	672,203	1,224,906
NISource Inc.	3,827	126,675	132,338
NRG Energy, Inc.	3,257	94,846	175,939
PG&E Corporation	5,796	325,795	187,776
Pinnacle West Capital Corporation	1,167	88,868	135,631
PPL Corporation	7,844	284,973	303,133
Public Service Enterprise Group Incorporated	5,412	251,531	384,262
SCANA Corporation	1,564	90,034	101,937
Sempra Energy	2,947	321,341	434,927
Southern Company	11,144	585,290	667,655
WEC Energy Group Inc.	3,431	203,990	324,154
Xcel Energy, Inc.	5,586	246,468	375,433
		<u>7,748,545</u>	<u>10,347,807</u>
Transaction Costs		(20,024)	
TOTAL INVESTMENT PORTFOLIO		<u>223,462,252</u>	310,116,088
OTHER ASSETS, LESS LIABILITIES – 0.2%			<u>565,268</u>
NET ASSETS – 100.0%			<u>310,681,356</u>

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 investment 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.

The Fund may also invest 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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	310,464,542	–	310,464,542	99.9
	310,464,542	–	310,464,542	99.9

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	242,012,413	–	242,012,413	99.7
	242,012,413	–	242,012,413	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$31,046,454 or approximately 10.0% of net assets (December 31, 2017 – \$24,201,241 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at

December 31, 2018, approximately 99.8% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$31,011,609 (December 31, 2017 – \$24,151,532). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Communication Services	10.1	–
Consumer Discretionary	9.9	12.2
Consumer Staples	7.4	8.2
Energy	5.3	6.0
Financials	13.3	15.1
Health Care	15.5	13.8
Industrials	9.6	10.2
Information Technology	20.1	23.7
Materials	2.3	2.9
Real Estate	3.0	2.4
Telecommunication Services	–	2.1
Utilities	3.3	2.9

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
December 31, 2018				
Equities	310,116,088	–	–	310,116,088
	310,116,088	–	–	310,116,088

	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
December 31, 2017				
Equities	241,515,325	–	–	241,515,325
	241,515,325	–	–	241,515,325

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia U.S. Index 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, 2018 or December 31, 2017.

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

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

Scotia CanAm Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	72,927,556	81,564,626
Derivatives	1,377,762	757,449
Cash	527,099	35,193
Margin deposited on derivatives	10,425,294	10,565,161
	<u>85,257,711</u>	<u>92,922,429</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	3,767,519	2,018,487
Redemptions payable	79,971	23,090
Distributions payable	2,480	10,892
	<u>3,849,970</u>	<u>2,052,469</u>
Net assets attributable to holders of redeemable units	<u>81,407,741</u>	<u>90,869,960</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	81,402,906	90,828,843
Series F	4,835	41,117
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.01	15.38
Series F	15.40	15.57

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	1,133,512	528,138
Net realized gain (loss) on derivatives	2,547,468	13,535,309
Change in unrealized gain (loss) on derivatives	(1,128,718)	(2,185,683)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	2,552,262	11,877,764
Securities lending (note 11)	19,640	6,772
Net realized and unrealized foreign currency translation gain (loss)	723,100	(929,050)
Total income (loss), net	<u>3,295,002</u>	<u>10,955,486</u>
EXPENSES		
Management fees (note 5)	724,367	720,572
Fixed administration fees (note 6)	153,940	153,154
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	22,076	16,205
Harmonized Sales Tax/Goods and Services Tax	94,332	94,016
Transaction costs	40,506	40,219
Total expenses	<u>1,036,470</u>	<u>1,025,301</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>2,258,532</u>	<u>9,930,185</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	2,258,944	9,925,767
Series F	(412)	4,418
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.41	1.89
Series F	(0.47)	1.99
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	5,520,585	5,265,259
Series F	872	2,221

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

Scotia CanAm 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	90,828,843	90,991,908
Series F	41,117	36,699
	<u>90,869,960</u>	<u>91,028,607</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	2,258,944	9,925,767
Series F	(412)	4,418
	<u>2,258,532</u>	<u>9,930,185</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,419,941)	(14,443,795)
Series F	(168)	(6,712)
	<u>(3,420,109)</u>	<u>(14,450,507)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	166	(37)
Series F	4,557	-
Reinvested distributions		
Series A	3,401,354	14,415,012
Series F	21	6,712
Payments on redemption		
Series A	(11,666,460)	(10,060,012)
Series F	(40,280)	-
	<u>(8,300,642)</u>	<u>4,361,675</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(9,425,937)	(163,065)
Series F	(36,282)	4,418
	<u>(9,462,219)</u>	<u>(158,647)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	81,402,906	90,828,843
Series F	4,835	41,117
	<u>81,407,741</u>	<u>90,869,960</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	2,258,532	9,930,185
Adjustments for:		
Change in unrealized (gain) loss on derivatives	1,128,718	2,185,683
Unrealized foreign currency translation (gain) loss	62,461	(149,714)
Purchases of non-derivative financial assets and liabilities	(511,003,608)	(795,610,004)
Proceeds from sale of non-derivative financial assets and liabilities	519,640,681	794,749,411
Margin deposited on derivatives	139,867	(1,568,253)
Accrued investment income and other	-	334
Accrued expenses and other payables	-	(2,675)
Net cash provided by (used in) operating activities	<u>12,226,651</u>	<u>9,534,967</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	165	(37)
Amounts paid on redemption of redeemable units	(11,645,302)	(10,125,123)
Distributions to unitholders of redeemable units	(27,147)	(22,767)
Net cash provided by (used in) financing activities	<u>(11,672,284)</u>	<u>(10,147,927)</u>
Unrealized foreign currency translation gain (loss)	(62,461)	149,714
Net increase (decrease) in cash	554,367	(612,960)
Cash (bank overdraft), beginning of period	35,193	640,650
CASH (BANK OVERDRAFT), END OF PERIOD	<u>527,099</u>	<u>177,404</u>
Interest paid ⁽¹⁾	22,076	16,205
Interest received, net of withholding taxes ⁽¹⁾	1,133,512	528,472

⁽¹⁾ Classified as operating items.

Scotia CanAm Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 89.6%			
Treasury Bills – 89.6%			
Government of Canada 0.00% Jan 10, 2019	5,500,000	5,496,425	5,497,702
Government of Canada 0.00% Jan 24, 2019	61,424,000	61,224,800	61,360,168
Government of Canada 0.00% Jan 24, 2019 (pledged as collateral)	6,076,000	6,056,295	6,069,686
		<u>72,777,520</u>	<u>72,927,556</u>
TOTAL INVESTMENT PORTFOLIO		<u>72,777,520</u>	<u>72,927,556</u>
Unrealized Gain (Loss) on Derivatives – (2.9%)			(2,389,757)
OTHER ASSETS, LESS LIABILITIES – 13.3%			10,869,942
NET ASSETS – 100.0%			<u>81,407,741</u>

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

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
CURRENCY FUTURES CONTRACTS							
Mar. 2019	(771)	CME Canadian Dollar Currency Future	J.P. Morgan	A-2	(78,690,211)	(77,312,449)	<u>1,377,762</u>
							<u>1,377,762</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Mar. 2019	477	S&P 500 Composite Stock Index – E-Mini Futures	Goldman Sachs & Co. LLC	A-2	85,271,611	81,504,092	<u>(3,767,519)</u>
							<u>(3,767,519)</u>

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 investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	72,927,556	81,564,626
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	72,927,556	81,564,626

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by nil or approximately 0.0% (December 31, 2017 – \$23,621 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	4,456,757	-	4,456,757	5.5
	4,456,757	-	4,456,757	5.5

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	11,038,639	(2,018,487)	9,020,152	9.9
	11,038,639	(2,018,487)	9,020,152	9.9

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$445,676 or approximately 0.6% of net assets (December 31, 2017 – \$902,015 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.1% (December 31, 2017 – 100.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$8,150,409 (December 31, 2017 – \$9,107,757). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	100.0	89.6	100.0	89.8
	100.0	89.6	100.0	89.8

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Treasury Bills	89.6	89.8

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	-	72,927,556	-	72,927,556
Unrealized gain on futures contracts	1,377,762	-	-	1,377,762
	1,377,762	72,927,556	-	74,305,318
Unrealized loss on futures contracts	(3,767,519)	-	-	(3,767,519)
	(2,389,757)	72,927,556	-	70,537,799

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	-	81,564,626	-	81,564,626
Unrealized gain on futures contracts	757,449	-	-	757,449
	757,449	81,564,626	-	82,322,075
Unrealized loss on futures contracts	(2,018,487)	-	-	(2,018,487)
	(1,261,038)	81,564,626	-	80,303,588

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia Nasdaq Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	162,418,810	118,395,133
Derivatives	–	916,495
Cash	47,075	413,803
Margin deposited on derivatives	31,611,498	1,545,993
Subscriptions receivable	633,255	542,322
	<u>194,710,638</u>	<u>121,813,746</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	12,665,704	–
Redemptions payable	207,232	113,298
Distributions payable	476	11,927
	<u>12,873,412</u>	<u>125,225</u>
Net assets attributable to holders of redeemable units	<u>181,837,226</u>	<u>121,688,521</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	178,296,288	120,371,820
Series D	2,319,793	1,125,609
Series F	<u>1,221,145</u>	<u>191,092</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	7.84	7.55
Series D	10.37	9.98
Series F	<u>9.29</u>	<u>8.98</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	3,099,595	844,780
Change in unrealized gain (loss) on non-derivative financial assets	6,019,895	(3,239,947)
Net realized gain (loss) on derivatives	2,695,116	25,776,501
Change in unrealized gain (loss) on derivatives	<u>(13,582,199)</u>	<u>897,968</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,767,593)	24,279,302
Securities lending (note 11)	–	890
Net realized and unrealized foreign currency translation gain (loss)	8,629,417	(3,851,962)
Other income	11,755	7,338
Total income (loss), net	<u>6,873,579</u>	<u>20,435,568</u>
EXPENSES		
Management fees (note 5)	1,349,593	820,881
Fixed administration fees (note 6)	389,912	236,448
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	44,140	16,827
Harmonized Sales Tax/Goods and Services Tax	186,534	112,804
Transaction costs	19,795	16,764
Total expenses	<u>1,991,223</u>	<u>1,204,859</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>4,882,356</u>	<u>19,230,709</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	4,880,989	19,140,909
Series D	46,981	51,660
Series F	<u>(45,614)</u>	<u>38,140</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	0.25	1.65
Series D	0.26	1.39
Series F	<u>(0.73)</u>	<u>2.30</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	19,619,926	11,629,336
Series D	182,616	37,039
Series F	<u>62,716</u>	<u>16,576</u>

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

Scotia 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	120,371,820	83,582,625
Series D	1,125,609	176,854
Series F	191,092	115,433
	<u>121,688,521</u>	<u>83,874,912</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	4,880,989	19,140,909
Series D	46,981	51,660
Series F	(45,614)	38,140
	<u>4,882,356</u>	<u>19,230,709</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,734,194)	(25,138,221)
Series D	(55,464)	(213,102)
Series F	(35,000)	(44,868)
From net realized gains on investments		
Series A	(220,529)	—
Series D	(2,910)	—
Series F	(1,542)	—
	<u>(4,049,639)</u>	<u>(25,396,191)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	89,253,029	40,017,378
Series D	2,496,081	1,076,683
Series F	1,177,985	127,314
Reinvested distributions		
Series A	3,889,349	24,591,638
Series D	53,087	187,282
Series F	12,553	25,928
Payments on redemption		
Series A	(36,144,176)	(21,822,509)
Series D	(1,343,591)	(153,768)
Series F	(78,329)	(70,855)
	<u>59,315,988</u>	<u>43,979,091</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	57,924,468	36,789,195
Series D	1,194,184	948,755
Series F	1,030,053	75,659
	<u>60,148,705</u>	<u>37,813,609</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	178,296,288	120,371,820
Series D	2,319,793	1,125,609
Series F	1,221,145	191,092
	<u>181,837,226</u>	<u>121,688,521</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	4,882,356	19,230,709
Adjustments for:		
Change in unrealized (gain) loss on non-derivative financial assets	(6,019,895)	3,239,947
Change in unrealized (gain) loss on derivatives	13,582,199	(897,968)
Unrealized foreign currency translation (gain) loss	266,181	(47,740)
Purchases of non-derivative financial assets and liabilities	(1,234,643,689)	(966,850,119)
Proceeds from sale of non-derivative financial assets and liabilities	1,196,639,908	927,121,697
Margin deposited on derivatives	(30,065,505)	606,215
Accrued investment income and other	—	265
Accrued expenses and other payables	—	(2,611)
Net cash provided by (used in) operating activities	<u>(55,358,445)</u>	<u>(17,599,605)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	91,627,087	40,774,180
Amounts paid on redemption of redeemable units	(36,263,088)	(22,626,393)
Distributions to unitholders of redeemable units	(106,101)	(581,445)
Net cash provided by (used in) financing activities	<u>55,257,898</u>	<u>17,566,342</u>
Unrealized foreign currency translation gain (loss)	(266,181)	47,740
Net increase (decrease) in cash	(100,547)	(33,263)
Cash (bank overdraft), beginning of period	413,803	399,326
CASH (BANK OVERDRAFT), END OF PERIOD	<u>47,075</u>	<u>413,803</u>
Interest paid ⁽¹⁾	44,140	16,827
Interest received, net of withholding taxes ⁽¹⁾	3,099,595	845,046

⁽¹⁾ Classified as operating items.

Scotia Nasdaq Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 89.3%			
Treasury Bills – 89.3%			
United States Treasury Bills 0.00% Feb 14, 2019	USD 10,000,000	13,157,626	13,602,062
United States Treasury Bills 0.00% Feb 19, 2019	USD 10,000,000	13,554,704	13,597,072
United States Treasury Bills 0.00% Feb 21, 2019	USD 6,000,000	7,862,213	8,157,455
United States Treasury Bills 0.00% Feb 28, 2019	USD 7,000,000	9,228,799	9,512,523
United States Treasury Bills 0.00% Jan 02, 2019	USD 6,000,000	8,012,789	8,184,118
United States Treasury Bills 0.00% Jan 03, 2019	USD 1,725,000	2,239,790	2,352,796
United States Treasury Bills 0.00% Jan 08, 2019	USD 7,000,000	9,376,609	9,544,538
United States Treasury Bills 0.00% Jan 15, 2019	USD 1,172,800	1,570,222	1,598,379
United States Treasury Bills 0.00% Jan 17, 2019	USD 1,250,000	1,627,821	1,703,513
United States Treasury Bills 0.00% Jan 22, 2019	USD 12,500,000	16,974,853	17,027,871
United States Treasury Bills 0.00% Jan 31, 2019	USD 23,906,000	31,102,739	32,547,719
United States Treasury Bills 0.00% Jan 31, 2019 (pledged as collateral)	USD 1,094,000	1,423,341	1,489,467
United States Treasury Bills 0.00% Mar 07, 2019	USD 10,000,000	13,297,951	13,582,827
United States Treasury Bills 0.00% Mar 14, 2019	USD 12,000,000	15,923,902	16,291,537
United States Treasury Bills 0.00% Mar 21, 2019	USD 5,000,000	6,704,292	6,784,804
United States Treasury Bills 0.00% Mar 28, 2019	USD 4,750,000	6,422,435	6,442,129
		<u>158,480,086</u>	<u>162,418,810</u>
TOTAL INVESTMENT PORTFOLIO		<u>158,480,086</u>	<u>162,418,810</u>
Unrealized Gain (Loss) on Derivatives – (7.0%)			(12,665,704)
OTHER ASSETS, LESS LIABILITIES – 17.7%			<u>32,084,120</u>
NET ASSETS – 100.0%			<u>181,837,226</u>

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

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Mar. 2019	1,051	Nasdaq 100 Index E-Mini Futures	Goldman Sachs & Co. LLC	A-2	194,262,412	181,596,708	(12,665,704)
							<u>(12,665,704)</u>

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

Scotia Nasdaq Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	162,418,810	118,395,133
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	162,418,810	118,395,133

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$10,919 or approximately 0.0% (December 31, 2017 – \$31,606 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	181,411,679	-	181,411,679	99.8
	181,411,679	-	181,411,679	99.8

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	121,367,573	-	121,367,573	99.7
	121,367,573	-	121,367,573	99.7

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$18,141,168 or approximately 10.0% of net assets (December 31, 2017 – \$12,136,757 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$18,159,671 (December 31, 2017 – \$12,121,443). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	100.0	89.3	100.0	97.3
	100.0	89.3	100.0	97.3

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
By Asset Type		
Treasury Bills	89.3	97.3
By Industry		
Communication Services	22.5	-
Consumer Discretionary	16.4	20.8
Consumer Staples	6.5	4.7
Financials	0.3	-
Health Care	8.9	10.2
Industrials	2.5	2.2
Information Technology	42.5	61.1
Telecommunication Services	-	0.9
Utilities	0.4	-

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

Scotia Nasdaq Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	-	162,418,810	-	162,418,810
	-	162,418,810	-	162,418,810
Unrealized loss on futures contracts	(12,665,704)	-	-	(12,665,704)
	(12,665,704)	162,418,810	-	149,753,106

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	-	118,395,133	-	118,395,133
Unrealized gain on futures contracts	916,495	-	-	916,495
	916,495	118,395,133	-	119,311,628

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

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

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

Scotia International Index Fund

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	29,316,545	32,464,099
Derivatives	582,556	846,309
Cash	701,737	—
Margin deposited on derivatives	3,912,653	3,597,732
Subscriptions receivable	18,784	23,354
	<u>34,532,275</u>	<u>36,931,494</u>
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (note 2)		
Derivatives	856,842	807,514
Bank overdraft	—	535,442
Redemptions payable	5,022	10,425
Distributions payable	—	640
	<u>861,864</u>	<u>1,354,021</u>
Net assets attributable to holders of redeemable units	<u>33,670,411</u>	<u>35,577,473</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	33,378,063	35,404,639
Series D	267,296	149,913
Series F	25,052	22,921
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	9.89	10.71
Series D	9.51	10.27
Series F	9.90	10.68

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Interest for distribution purposes	519,207	242,491
Net realized gain (loss) on derivatives	(2,781,054)	4,980,332
Change in unrealized gain (loss) on derivatives	(313,081)	(357,481)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(2,574,928)	4,865,342
Securities lending (note 11)	2,972	397
Net realized and unrealized foreign currency translation gain (loss)	234,831	(176,408)
Other income	709	164
Total income (loss), net	<u>(2,336,416)</u>	<u>4,689,495</u>
EXPENSES		
Management fees (note 5)	293,938	251,573
Fixed administration fees (note 6)	117,801	100,687
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	14,989	5,086
Harmonized Sales Tax/Goods and Services Tax	43,769	37,542
Transaction costs	19,650	16,716
Total expenses	<u>491,396</u>	<u>412,739</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,827,812)</u>	<u>4,276,756</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(2,804,103)	4,269,544
Series D	(21,714)	6,801
Series F	(1,995)	411
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.83)	1.50
Series D	(0.97)	1.13
Series F	(0.83)	1.14
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	3,393,471	2,852,007
Series D	22,388	6,027
Series F	2,415	360

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

Scotia International Index Fund (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	35,404,639	28,200,543
Series D	149,913	16,482
Series F	22,921	539
	<u>35,577,473</u>	<u>28,217,564</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(2,804,103)	4,269,544
Series D	(21,714)	6,801
Series F	(1,995)	411
	<u>(2,827,812)</u>	<u>4,276,756</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	–	(2,859,504)
Series D	–	(12,964)
Series F	–	(2,067)
	<u>–</u>	<u>(2,874,535)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	7,244,572	7,933,096
Series D	223,966	132,800
Series F	4,126	21,971
Reinvested distributions		
Series A	–	2,835,635
Series D	–	12,964
Series F	–	2,067
Payments on redemption		
Series A	(6,467,045)	(4,974,675)
Series D	(84,869)	(6,170)
	<u>920,750</u>	<u>5,957,688</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(2,026,576)	7,204,096
Series D	117,383	133,431
Series F	2,131	22,382
	<u>(1,907,062)</u>	<u>7,359,909</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	33,378,063	35,404,639
Series D	267,296	149,913
Series F	25,052	22,921
	<u>33,670,411</u>	<u>35,577,473</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,827,812)	4,276,756
Adjustments for:		
Change in unrealized (gain) loss on derivatives	313,081	357,481
Unrealized foreign currency translation (gain) loss	15,224	(44,217)
Purchases of non-derivative financial assets and liabilities	(275,446,638)	(196,485,825)
Proceeds from sale of non-derivative financial assets and liabilities	278,594,192	189,074,743
Margin deposited on derivatives	(314,921)	(1,205,051)
Accrued investment income and other	–	1,827
Accrued expenses and other payables	–	(955)
Net cash provided by (used in) operating activities	<u>333,126</u>	<u>(4,025,241)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	7,465,444	8,065,583
Amounts paid on redemption of redeemable units	(6,545,527)	(4,950,980)
Distributions to unitholders of redeemable units	(640)	(23,229)
Net cash provided by (used in) financing activities	<u>919,277</u>	<u>3,091,374</u>
Unrealized foreign currency translation gain (loss)	(15,224)	44,217
Net increase (decrease) in cash	1,252,403	(933,867)
Cash (bank overdraft), beginning of period	(535,442)	354,208
CASH (BANK OVERDRAFT), END OF PERIOD	<u>701,737</u>	<u>(535,442)</u>
Interest paid ⁽¹⁾	14,989	5,086
Interest received, net of withholding taxes ⁽¹⁾	519,207	244,319

⁽¹⁾ Classified as operating items.

Scotia International Index Fund (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Face Value (\$)	Average Cost (\$)	Carrying Value (\$)
MONEY MARKET INSTRUMENTS – 87.1%			
Bankers' Acceptances – 39.6%			
Bank of Montreal 2.15% Jan 17, 2019	750,000	748,635	749,295
Bank of Montreal 2.23% Jan 31, 2019	2,100,000	2,095,653	2,096,164
Canadian Imperial Bank of Commerce 0.00% Jan 31, 2019	2,500,000	2,488,454	2,495,670
National Bank of Canada 0.00% Jan 31, 2019	2,500,000	2,487,025	2,495,768
Royal Bank of Canada 2.08% Jan 03, 2019	1,000,000	998,290	999,886
Royal Bank of Canada 2.19% Jan 21, 2019	1,750,000	1,746,745	1,747,900
Toronto-Dominion Bank, The 0.00% Jan 14, 2019	500,000	499,100	499,623
Toronto-Dominion Bank, The 2.21% Jan 31, 2019	2,250,000	2,245,388	2,245,931
		<u>13,309,290</u>	<u>13,330,237</u>
Bearers' Deposit Notes – 6.7%			
Fédération des caisses Desjardins du Québec 2.02% Jan 10, 2019	1,000,000	996,140	999,504
Fédération des caisses Desjardins du Québec 2.07% Jan 22, 2019	1,250,000	1,243,650	1,248,518
		<u>2,239,790</u>	<u>2,248,022</u>
Commercial Paper – 15.6%			
CDP Financial Inc. 0.00% Jan 03, 2019	1,250,000	1,246,050	1,249,877
Nestlé Capital Canada Ltd. 2.17% Jan 24, 2019	1,250,000	1,248,000	1,248,296
Ontario Teachers Financial Trust 1.99% Jan 22, 2019	1,250,000	1,245,863	1,248,576
PSP Capital Inc. 1.78% Jan 09, 2019	1,500,000	1,493,295	1,499,417
		<u>5,233,208</u>	<u>5,246,166</u>
Treasury Bills – 25.2%			
Government of Canada 0.00% Jan 10, 2019	1,500,000	1,499,025	1,499,373
Government of Canada 0.00% Jan 24, 2019	5,750,000	5,734,836	5,744,042
Government of Canada 0.00% Jan 24, 2019 (pledged as collateral)	1,250,000	1,246,704	1,248,705
		<u>8,480,565</u>	<u>8,492,120</u>
TOTAL INVESTMENT PORTFOLIO		<u>29,262,853</u>	<u>29,316,545</u>
Unrealized Gain (Loss) on Derivatives – (0.8%)			(274,286)
OTHER ASSETS, LESS LIABILITIES – 13.7%			4,628,152
NET ASSETS – 100.0%			<u>33,670,411</u>

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

SCHEDULE OF DERIVATIVE INSTRUMENTS

UNREALIZED GAIN ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Gain (\$)
CURRENCY FUTURES CONTRACTS							
Mar. 2019	(326)	CME Canadian Dollar Currency Future	J.P. Morgan	A-2	(33,272,385)	(32,689,829)	582,556
							<u>582,556</u>

UNREALIZED LOSS ON FUTURES CONTRACTS

Expiry Date	Number of Contracts	Futures Contracts	Counterparty	Credit Risk	Contractual Value Canadian (\$)	Fair Value Canadian (\$)	Unrealized Loss (\$)
INDEX FUTURES CONTRACTS							
Mar. 2019	287	mini MSCI EAFE Index Futures	Goldman Sachs & Co. LLC	A-2	34,447,446	33,590,604	(856,842)
							<u>(856,842)</u>

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

Scotia International Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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.

The Fund may also invest 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

Below is a summary of 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, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	29,316,545	32,464,099
1-3 years	-	-
3-5 years	-	-
5-10 years	-	-
> 10 years	-	-
	29,316,545	32,464,099

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by nil or approximately 0.0% (December 31, 2017 – \$4,699 or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's direct exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	1,086,272	-	1,086,272	3.2
	1,086,272	-	1,086,272	3.2

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	3,471,541	(807,514)	2,664,027	7.5
	3,471,541	(807,514)	2,664,027	7.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other foreign currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund could possibly have decreased or increased, respectively, by \$108,627 or approximately 0.3% of net assets (December 31, 2017 – \$266,403 or approximately 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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.8% (December 31, 2017 – 100.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$3,359,060 (December 31, 2017 – \$3,557,995). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Fund, as applicable.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	61.3	53.4	62.8	57.3
A-1	34.4	30.0	37.2	34.0
NOT RATED	4.3	3.7	-	-
	100.0	87.1	100.0	91.3

Concentration risk

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

Scotia International Index Fund (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
By Asset Type		
Bankers' Acceptances	39.6	42.4
Bearers' Deposit Notes	6.7	3.8
Commercial Paper	15.6	14.2
Treasury Bills	25.2	30.9
By Country		
Australia	7.0	7.0
Austria	0.2	0.3
Belgium	1.0	1.1
Denmark	1.8	1.8
Finland	1.0	0.9
France	10.8	10.4
Germany	8.8	9.8
Hong Kong	3.7	3.4
Ireland	0.3	0.2
Israel	0.4	0.4
Italy	2.2	2.3
Japan	24.8	24.2
Luxembourg	0.1	0.0
Netherlands	3.4	3.5
New Zealand	0.2	0.2
Norway	0.7	0.7
Portugal	0.2	0.1
Singapore	1.6	1.5
Spain	3.1	3.2
Sweden	2.7	2.7
Switzerland	8.7	8.1
United Kingdom	17.3	18.2

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

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	29,316,545	–	29,316,545
Unrealized gain on futures contracts	582,556	–	–	582,556
	582,556	29,316,545	–	29,899,101
Unrealized loss on futures contracts	(856,842)	–	–	(856,842)
	(274,286)	29,316,545	–	29,042,259

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Money market instruments	–	32,464,099	–	32,464,099
Unrealized gain on futures contracts	846,309	–	–	846,309
	846,309	32,464,099	–	33,310,408
Unrealized loss on futures contracts	(807,514)	–	–	(807,514)
	38,795	32,464,099	–	32,502,894

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

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

Scotia Selected Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	186,751,142	159,151,842
Cash	822,490	1,098,044
Subscriptions receivable	636,071	154,934
Accrued investment income and other	1,056	746
	<u>188,210,759</u>	<u>160,405,566</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	616,000	319,000
Redemptions payable	157,945	137,149
Distributions payable	4,374	4,114
	<u>778,319</u>	<u>460,263</u>
Net assets attributable to holders of redeemable units	<u>187,432,440</u>	<u>159,945,303</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	187,371,031	159,945,303
Series T	61,409	-
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.61	10.84
Series T	14.95	-

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,407,539	1,228,593
Interest for distribution purposes	3,775,687	2,717,569
Net realized gain (loss) on non-derivative financial assets	876,332	1,914,507
Change in unrealized gain (loss) on non-derivative financial assets	(4,028,647)	1,190,022
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	2,030,911	7,050,691
Other income	10,660	3,405
Total income (loss), net	<u>2,041,571</u>	<u>7,054,096</u>
EXPENSES		
Management fees (note 5)	2,656,330	2,140,879
Fixed administration fees (note 6)	88,544	74,490
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	49	-
Foreign withholding taxes/tax reclaims	70,976	49,387
Harmonized Sales Tax/Goods and Services Tax	306,878	249,894
Total expenses	<u>3,124,026</u>	<u>2,515,785</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,082,455)</u>	<u>4,538,311</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(1,082,293)	4,538,311
Series T	(162)	-
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.07)	0.34
Series T	(0.13)	-
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	16,391,943	13,212,493
Series T	1,245	-

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	159,945,303	128,663,826
	<u>159,945,303</u>	<u>128,663,826</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(1,082,293)	4,538,311
Series T	(162)	-
	<u>(1,082,455)</u>	<u>4,538,311</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(2,112,504)	(1,433,324)
Series T	(11)	-
From net realized gains on investments		
Series A	(471,290)	(941,448)
Series T	(2)	-
From return of capital		
Series T	(146)	-
	<u>(2,583,953)</u>	<u>(2,374,772)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	74,140,917	54,519,395
Series T	61,571	-
Reinvested distributions		
Series A	2,573,309	2,362,122
Series T	159	-
Payments on redemption		
Series A	(45,622,411)	(27,763,579)
	<u>31,153,545</u>	<u>29,117,938</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	27,425,728	31,281,477
Series T	61,409	-
	<u>27,487,137</u>	<u>31,281,477</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	187,371,031	159,945,303
Series T	61,409	-
	<u>187,432,440</u>	<u>159,945,303</u>

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

Scotia Selected Income Portfolio (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,082,455)	4,538,311
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(876,332)	(1,914,507)
Change in unrealized (gain) loss on non-derivative financial assets	4,028,647	(1,190,022)
Other non-cash transactions	(5,100,665)	(3,890,778)
Purchases of non-derivative financial assets and liabilities	(27,182,000)	(24,949,903)
Proceeds from sale of non-derivative financial assets and liabilities	1,828,050	961,900
Accrued investment income and other	(310)	(479)
Accrued expenses and other payables	—	(6,661)
Net cash provided by (used in) operating activities	(28,385,065)	(26,452,139)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	73,721,351	54,657,032
Amounts paid on redemption of redeemable units	(45,601,615)	(27,733,439)
Distributions to unitholders of redeemable units	(10,225)	(17,477)
Net cash provided by (used in) financing activities	28,109,511	26,906,116
Net increase (decrease) in cash	(275,554)	453,977
Cash (bank overdraft), beginning of period	1,098,044	644,067
CASH (BANK OVERDRAFT), END OF PERIOD	822,490	1,098,044
Interest paid ⁽¹⁾	49	—
Interest received, net of withholding taxes ⁽¹⁾	11,275	5,518

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 11.6%			
Dynamic Dividend Advantage Fund Series O [†]	666,281	4,899,131	4,517,382
Dynamic Small Business Fund Series O [†]	194,713	3,232,455	3,154,361
Scotia Canadian Dividend Fund Series I [†]	235,104	12,676,358	14,004,524
		<u>20,807,944</u>	<u>21,676,267</u>
FIXED INCOME FUNDS – 75.7%			
Dynamic Canadian Bond Fund Series O [†]	8,384,302	44,184,681	42,592,253
Dynamic Total Return Bond Fund Series O [†]	3,689,497	35,684,491	35,345,377
Scotia Canadian Income Fund Series I [†]	2,668,609	36,006,241	35,449,537
Scotia Private Canadian Corporate Bond Pool Series I [†]	2,709,415	29,106,817	28,476,488
		<u>144,982,230</u>	<u>141,863,655</u>
FOREIGN EQUITY FUNDS – 12.4%			
Scotia Global Dividend Fund Series I [†]	1,066,756	17,512,570	15,988,435
Scotia Global Growth Fund Series I [†]	93,241	5,435,848	7,222,785
		<u>22,948,418</u>	<u>23,211,220</u>
TOTAL INVESTMENT PORTFOLIO		<u>188,738,592</u>	<u>186,751,142</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>681,298</u>
NET ASSETS – 100.0%			<u>187,432,440</u>

[†] Investment in related party (note 10)

Scotia Selected Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$18,675,114 (December 31, 2017 – \$15,915,184). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	11.6	12.4
Fixed Income Funds	75.7	73.8
Foreign Equity Funds	12.4	13.3

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	186,751,142	–	–	186,751,142
	186,751,142	–	–	186,751,142

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	159,151,842	–	–	159,151,842
	159,151,842	–	–	159,151,842

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Canadian Bond Fund		
Series O	42,592,253	3.6
Scotia Global Dividend Fund Series I	15,988,435	2.0
Dynamic Total Return Bond Fund		
Series O	35,345,377	1.1
Dynamic Dividend Advantage Fund		
Series O	4,517,382	0.8
Scotia Global Growth Fund Series I	7,222,785	0.7
Scotia Canadian Income Fund Series I	35,449,537	0.6
Scotia Private Canadian Corporate Bond		
Pool Series I	28,476,488	0.5
Dynamic Small Business Fund		
Series O	3,154,361	0.3
Scotia Canadian Dividend Fund		
Series I	14,004,524	0.2
	186,751,142	

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Canadian Bond Fund Series O	35,547,037	2.5
Scotia Global Dividend Fund Series I	14,721,265	1.9
Dynamic 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	

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

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

Scotia Selected Balanced Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,038,503,223	1,076,705,835
Cash	959,897	5,307,264
Subscriptions receivable	959,861	925,173
Accrued investment income and other	1,873	4,098
	<u>1,040,424,854</u>	<u>1,082,942,370</u>
LIABILITIES		
Current liabilities		
Redemptions payable	727,252	834,332
Distributions payable	43,332	46,370
	<u>770,584</u>	<u>880,702</u>
Net assets attributable to holders of redeemable units	<u>1,039,654,270</u>	<u>1,082,061,668</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,039,032,331	1,081,551,190
Advisor Series	20,509	87,632
Series F	595,452	422,846
Series T	5,978	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.26	13.61
Advisor Series	12.90	13.88
Series F	13.12	13.24
Series T	14.81	–

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	10,226,970	10,503,613
Interest for distribution purposes	19,667,986	16,662,629
Net realized gain (loss) on non-derivative financial assets	13,893,438	18,207,905
Change in unrealized gain (loss) on non-derivative financial assets	(38,247,470)	19,417,289
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	5,540,924	64,791,436
Other income	21,571	10,391
Total income (loss), net	<u>5,562,495</u>	<u>64,801,827</u>
EXPENSES		
Management fees (note 5)	17,236,471	16,695,526
Fixed administration fees and operating expenses (note 6)	538,816	522,714
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	29	–
Foreign withholding taxes/tax reclaims	508,001	430,553
Harmonized Sales Tax/Goods and Services Tax	2,033,458	1,983,426
Total expenses	20,318,024	19,633,354
Expenses absorbed by the Manager	(47)	(866)
Net expenses	<u>20,317,977</u>	<u>19,632,488</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(14,755,482)</u>	<u>45,169,339</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(14,753,983)	45,146,423
Advisor Series	(2,310)	11,026
Series F	832	11,890
Series T	(21)	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.19)	0.58
Advisor Series	(0.38)	0.97
Series F	0.03	0.54
Series T	(0.07)	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	78,919,907	77,277,925
Advisor Series	6,132	11,371
Series F	32,186	21,832
Series T	320	–

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

Scotia Selected 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,081,551,190	996,331,235
Advisor Series	87,632	390,756
Series F	422,846	291,474
	<u>1,082,061,668</u>	<u>997,013,465</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(14,753,983)	45,146,423
Advisor Series	(2,310)	11,026
Series F	832	11,890
Series T	(21)	–
	<u>(14,755,482)</u>	<u>45,169,339</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(9,708,828)	(7,502,785)
Advisor Series	(733)	–
Series F	(8,651)	(8,598)
Series T	(7)	–
From net realized gains on investments		
Series A	(2,550,020)	(5,687,596)
Advisor Series	(206)	(458)
Series F	(1,008)	(2,255)
Series T	(2)	–
From return of capital		
Series T	(35)	–
	<u>(12,269,490)</u>	<u>(13,201,692)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	187,170,467	196,889,361
Series F	267,378	163,197
Series T	6,000	–
Reinvested distributions		
Series A	12,219,085	13,142,459
Advisor Series	939	110
Series F	6,027	9,444
Series T	43	–
Payments on redemption		
Series A	(214,895,580)	(156,767,907)
Advisor Series	(64,813)	(313,802)
Series F	(91,972)	(42,306)
	<u>(15,382,426)</u>	<u>53,080,556</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(42,518,859)	85,219,955
Advisor Series	(67,123)	(303,124)
Series F	172,606	131,372
Series T	5,978	–
	<u>(42,407,398)</u>	<u>85,048,203</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,039,032,331	1,081,551,190
Advisor Series	20,509	87,632
Series F	595,452	422,846
Series T	5,978	–
	<u>1,039,654,270</u>	<u>1,082,061,668</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(14,755,482)	45,169,339
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(13,893,438)	(18,207,905)
Change in unrealized (gain) loss on non-derivative financial assets	38,247,470	(19,417,289)
Other non-cash transactions	(29,354,128)	(26,704,047)
Purchases of non-derivative financial assets and liabilities	(12,782,801)	(41,705,489)
Proceeds from sale of non-derivative financial assets and liabilities	55,985,508	20,817,770
Accrued investment income and other	2,225	(2,179)
Accrued expenses and other payables	–	(50,241)
Net cash provided by (used in) operating activities	<u>23,449,354</u>	<u>(40,100,041)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	187,241,779	197,762,741
Amounts paid on redemption of redeemable units	(214,992,067)	(156,875,449)
Distributions to unitholders of redeemable units	(46,433)	(85,357)
Net cash provided by (used in) financing activities	<u>(74,186,721)</u>	<u>(44,198,065)</u>
Net increase (decrease) in cash	(14,755,482)	(40,100,041)
Cash (bank overdraft), beginning of period	5,307,264	4,605,370
CASH (BANK OVERDRAFT), END OF PERIOD	<u>959,897</u>	<u>5,307,264</u>
Interest paid ⁽¹⁾	29	–
Interest received, net of withholding taxes ⁽¹⁾	35,052	29,462

⁽¹⁾ Classified as operating items.

Scotia Selected Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 16.0%			
Dynamic Dividend Advantage Fund Series O†	6,058,652	45,255,409	41,077,658
Dynamic Small Business Fund Series O†	2,071,028	32,921,571	33,550,656
Scotia Canadian Dividend Fund Series I†	1,534,891	68,113,245	91,429,489
		<u>146,290,225</u>	<u>166,057,803</u>
FIXED INCOME FUNDS – 67.0%			
Dynamic Canadian Bond Fund Series O†	34,309,838	180,278,816	174,293,975
Dynamic Total Return Bond Fund Series O†	21,808,468	208,831,521	208,925,119
Scotia Canadian Income Fund Series I†	13,134,814	174,934,089	174,481,553
Scotia Private Canadian Corporate Bond Pool Series I†	13,252,205	142,656,305	139,283,321
		<u>706,700,731</u>	<u>696,983,968</u>
FOREIGN EQUITY FUNDS – 16.9%			
Scotia Global Dividend Fund Series I†	6,362,726	95,477,249	95,363,895
Scotia Global Growth Fund Series I†	700,658	31,771,712	54,275,539
Scotia Global Equity Fund Series I†	1,207,334	16,223,458	17,279,359
Scotia Global Small Cap Fund Series I†	720,103	8,242,151	8,542,659
		<u>151,714,570</u>	<u>175,461,452</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,004,705,526</u>	<u>1,038,503,223</u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>1,151,047</u>
NET ASSETS – 100.0%			<u>1,039,654,270</u>

† Investment in related party (note 10)

Scotia Selected Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$103,850,322 (December 31, 2017 – \$107,670,584). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	16.0	17.8
Fixed Income Funds	67.0	63.2
Foreign Equity Funds	16.9	18.5

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,038,503,223	–	–	1,038,503,223
	1,038,503,223	–	–	1,038,503,223

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,076,705,835	–	–	1,076,705,835
	1,076,705,835	–	–	1,076,705,835

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Canadian Bond Fund Series O	174,293,975	14.7
Scotia Global Dividend Fund Series I	95,363,895	12.0
Scotia Global Small Cap Fund Series I	8,542,659	7.2
Dynamic Dividend Advantage Fund Series O	41,077,658	6.8
Dynamic Total Return Bond Fund Series O	208,925,119	6.3
Scotia Global Equity Fund Series I	17,279,359	5.7
Scotia Global Growth Fund Series I	54,275,539	5.0
Dynamic Small Business Fund Series O	33,550,656	2.9
Scotia Canadian Income Fund Series I	174,481,553	2.8
Scotia Private Canadian Corporate Bond Pool Series I	139,283,321	2.7
Scotia Canadian Dividend Fund Series I	91,429,489	1.0
	1,038,503,223	

Scotia Selected Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	106,852,776	13.6
Dynamic Canadian Bond Fund Series O	170,097,383	12.0
Scotia Global Small Cap Fund Series I	11,135,041	9.2
Dynamic Aurion Total Return Bond Fund Series O	206,294,933	7.5
Scotia Global Equity Fund Series I	19,520,506	6.7
Dynamic Dividend Advantage Fund Series O	47,555,317	5.9
Scotia Global Growth Fund Series I	62,428,019	5.9
Dynamic Small Business Fund Series O	39,651,650	3.5
Scotia Canadian Income Fund Series I	171,411,714	2.8
Scotia Private Canadian Corporate Bond Pool Series I	136,482,287	2.3
Scotia Canadian Dividend Fund Series I	105,276,209	1.1
	1,076,705,835	

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

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

Scotia Selected Balanced Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,795,864,243	1,744,309,721
Cash	3,783,151	9,099,393
Subscriptions receivable	2,845,799	1,799,332
Accrued investment income and other	7,176	9,786
	<u>1,802,500,369</u>	<u>1,755,218,232</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	150,000	860,000
Redemptions payable	908,486	764,804
Distributions payable	22,354	14,510
	<u>1,080,840</u>	<u>1,639,314</u>
Net assets attributable to holders of redeemable units	<u>1,801,419,529</u>	<u>1,753,578,918</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,800,296,005	1,753,059,249
Advisor Series	40,501	121,106
Series F	511,403	398,563
Series T	571,620	-
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.53	16.14
Advisor Series	15.05	15.86
Series F	15.41	15.86
Series T	14.54	-

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	25,580,018	22,578,548
Interest for distribution purposes	21,465,535	16,857,642
Net realized gain (loss) on non-derivative financial assets	17,949,389	31,224,987
Change in unrealized gain (loss) on non-derivative financial assets	<u>(87,195,607)</u>	<u>83,707,925</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(22,200,665)	154,369,102
Other income	31,198	16,149
Total income (loss), net	<u>(22,169,467)</u>	<u>154,385,251</u>
EXPENSES		
Management fees (note 5)	31,100,101	28,243,153
Fixed administration fees and operating expenses (note 6)	914,904	831,024
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	1,345,448	975,330
Harmonized Sales Tax/Goods and Services Tax	<u>3,576,017</u>	<u>3,256,187</u>
Total expenses	36,937,719	33,306,829
Expenses absorbed by the Manager	<u>(45)</u>	<u>(810)</u>
Net expenses	36,937,674	33,306,019
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(59,107,141)</u>	<u>121,079,232</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(59,099,374)	121,049,673
Advisor Series	(2,257)	9,123
Series F	(1,078)	20,436
Series T	<u>(4,432)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.52)	1.14
Advisor Series	(0.32)	1.17
Series F	(0.03)	1.10
Series T	<u>(0.25)</u>	<u>-</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	112,590,190	105,814,188
Advisor Series	7,161	7,775
Series F	32,706	18,543
Series T	<u>17,389</u>	<u>-</u>

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

Scotia 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,753,059,249	1,560,509,450
Advisor Series	121,106	120,913
Series F	398,563	232,515
	<u>1,753,578,918</u>	<u>1,560,862,878</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(59,099,374)	121,049,673
Advisor Series	(2,257)	9,123
Series F	(1,078)	20,436
Series T	(4,432)	–
	<u>(59,107,141)</u>	<u>121,079,232</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(11,777,591)	(6,244,726)
Advisor Series	(758)	(371)
Series F	(9,250)	(6,309)
Series T	(218)	–
From net realized gains on investments		
Series A	–	(3,215,163)
Advisor Series	–	(223)
Series F	–	(722)
From return of capital		
Series T	(3,026)	–
	<u>(11,790,843)</u>	<u>(9,467,514)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	355,093,579	275,776,985
Series F	554,224	269,228
Series T	576,052	–
Reinvested distributions		
Series A	11,758,240	9,446,189
Advisor Series	758	593
Series F	6,168	6,463
Series T	3,244	–
Payments on redemption		
Series A	(248,738,098)	(204,263,159)
Advisor Series	(78,348)	(8,929)
Series F	(437,224)	(123,048)
	<u>118,738,595</u>	<u>81,104,322</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	47,236,756	192,549,799
Advisor Series	(80,605)	193
Series F	112,840	166,048
Series T	571,620	–
	<u>47,840,611</u>	<u>192,716,040</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,800,296,005	1,753,059,249
Advisor Series	40,501	121,106
Series F	511,403	398,563
Series T	571,620	–
	<u>1,801,419,529</u>	<u>1,753,578,918</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(59,107,141)	121,079,232
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(17,949,389)	(31,224,987)
Change in unrealized (gain) loss on non-derivative financial assets	87,195,607	(83,707,925)
Other non-cash transactions	(45,595,239)	(38,398,978)
Purchases of non-derivative financial assets and liabilities	(98,081,001)	(64,033,496)
Proceeds from sale of non-derivative financial assets and liabilities	22,165,500	26,311,749
Accrued investment income and other	2,610	(7,110)
Accrued expenses and other payables	–	(85,415)
Net cash provided by (used in) operating activities	<u>(111,369,053)</u>	<u>(70,066,930)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	354,626,189	276,317,401
Amounts paid on redemption of redeemable units	(248,558,788)	(204,749,061)
Distributions to unitholders of redeemable units	(14,590)	(90,979)
Net cash provided by (used in) financing activities	106,052,811	71,477,361
Net increase (decrease) in cash	(5,316,242)	1,410,431
Cash (bank overdraft), beginning of period	9,099,393	7,688,962
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,783,151</u>	<u>9,099,393</u>
Interest received, net of withholding taxes ⁽¹⁾	107,476	54,774

⁽¹⁾ Classified as operating items.

Scotia Selected Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 24.2%			
Dynamic Dividend Advantage Fund Series O†	18,884,811	142,796,355	128,039,017
Dynamic Small Business Fund Series O†	5,308,218	79,866,079	85,993,128
Scotia Canadian Dividend Fund Series I†	3,371,116	141,319,523	200,808,587
Scotia Canadian Growth Fund Series I†	283,468	24,370,526	21,222,733
		<u>388,352,483</u>	<u>436,063,465</u>
FIXED INCOME FUNDS – 46.1%			
Dynamic Canadian Bond Fund Series O†	24,462,175	127,910,097	124,267,846
Dynamic High Yield Bond Fund Series O†	13,954,425	41,639,164	39,491,022
Dynamic Total Return Bond Fund Series O†	30,484,722	291,432,456	292,043,641
Scotia Canadian Income Fund Series I†	15,791,770	208,866,956	209,776,297
Scotia Private Canadian Corporate Bond Pool Series I†	15,708,918	171,405,470	165,103,865
		<u>841,254,143</u>	<u>830,682,671</u>
FOREIGN EQUITY FUNDS – 29.4%			
Dynamic Power Global Growth Class Series O†	1,413,161	30,677,706	31,640,682
Scotia Global Dividend Fund Series I†	12,092,565	175,114,255	181,242,160
Scotia Global Growth Fund Series I†	2,260,230	100,881,841	175,085,783
Scotia Global Equity Fund Series I†	7,549,943	94,041,172	108,054,781
Scotia Global Small Cap Fund Series I†	2,789,718	27,551,223	33,094,701
		<u>428,266,197</u>	<u>529,118,107</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,657,872,823</u>	<u>1,795,864,243</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>5,555,286</u>
NET ASSETS – 100.0%			<u>1,801,419,529</u>

† Investment in related party (note 10)

Scotia Selected Balanced Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$179,586,424 (December 31, 2017 – \$174,430,972). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	24.2	25.2
Fixed Income Funds	46.1	43.2
Foreign Equity Funds	29.4	31.1

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,795,864,243	–	–	1,795,864,243
	1,795,864,243	–	–	1,795,864,243

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Equity Fund Series I	108,054,781	35.7
Scotia Global Small Cap Fund Series I	33,094,701	28.0
Scotia Global Dividend Fund Series I	181,242,160	22.9
Dynamic Dividend Advantage Fund Series O	128,039,017	21.3
Scotia Global Growth Fund Series I	175,085,783	16.2
Dynamic Canadian Bond Fund Series O	124,267,846	10.5
Dynamic High Yield Bond Fund Series O	39,491,022	10.2
Dynamic Total Return Bond Fund Series O	292,043,641	8.8
Dynamic Small Business Fund Series O	85,993,128	7.4
Scotia Canadian Growth Fund Series I	21,222,733	6.7
Scotia Canadian Income Fund Series I	209,776,297	3.3
Scotia Private Canadian Corporate Bond Pool Series I	165,103,865	3.2
Dynamic Power Global Growth Class Series O	31,640,682	2.7
Scotia Canadian Dividend Fund Series I	200,808,587	2.2
	1,795,864,243	

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Equity 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	

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

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

Scotia Selected Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,371,756,992	1,288,470,453
Cash	3,605,115	6,531,344
Subscriptions receivable	2,660,938	1,677,286
Accrued investment income and other	6,237	7,669
	<u>1,378,029,282</u>	<u>1,296,686,752</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	1,100,000	999,682
Redemptions payable	817,210	579,065
	<u>1,917,210</u>	<u>1,578,747</u>
Net assets attributable to holders of redeemable units	<u>1,376,112,072</u>	<u>1,295,108,005</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,374,860,968	1,294,267,580
Advisor Series	–	41,966
Series F	1,142,300	798,459
Series T	108,804	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.61	19.59
Advisor Series	–	18.46
Series F	20.08	20.91
Series T	14.28	–

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	22,442,580	17,598,232
Interest for distribution purposes	8,259,883	5,738,660
Net realized gain (loss) on non-derivative financial assets	12,707,028	28,975,166
Change in unrealized gain (loss) on non-derivative financial assets	(87,501,929)	92,148,062
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(44,092,438)	144,460,120
Other income	22,744	16,995
Total income (loss), net	<u>(44,069,694)</u>	<u>144,477,115</u>
EXPENSES		
Management fees (note 5)	25,036,597	21,728,152
Fixed administration fees and operating expenses (note 6)	695,642	603,554
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	1,273,400	888,334
Harmonized Sales Tax/Goods and Services Tax	2,748,159	2,391,530
Total expenses	29,755,047	25,612,705
Expenses absorbed by the Manager	(5)	(660)
Net expenses	<u>29,755,042</u>	<u>25,612,045</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(73,824,736)</u>	<u>118,865,070</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(73,749,851)	118,814,506
Advisor Series	664	4,001
Series F	(73,264)	46,563
Series T	(2,285)	–
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.05)	1.85
Advisor Series	0.29	1.76
Series F	(1.52)	2.19
Series T	(0.52)	–
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	70,257,785	64,388,934
Advisor Series	2,273	2,273
Series F	48,204	21,301
Series T	4,353	–

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

Scotia Selected 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,294,267,580	1,114,455,069
Advisor Series	41,966	37,965
Series F	798,459	229,425
	<u>1,295,108,005</u>	<u>1,114,722,459</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(73,749,851)	118,814,506
Advisor Series	664	4,001
Series F	(73,264)	46,563
Series T	(2,285)	—
	<u>(73,824,736)</u>	<u>118,865,070</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	(5)	—
From return of capital		
Series T	(824)	—
	<u>(829)</u>	<u>—</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	334,719,449	211,131,797
Series F	1,300,116	670,108
Series T	111,090	—
Reinvested distributions		
Series T	828	—
Payments on redemption		
Series A	(180,376,210)	(150,133,792)
Advisor Series	(42,630)	—
Series F	(883,011)	(147,637)
	<u>154,829,632</u>	<u>61,520,476</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	80,593,388	179,812,511
Advisor Series	(41,966)	4,001
Series F	343,841	569,034
Series T	108,804	—
	<u>81,004,067</u>	<u>180,385,546</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,374,860,968	1,294,267,580
Advisor Series	—	41,966
Series F	1,142,300	798,459
Series T	108,804	—
	<u>1,376,112,072</u>	<u>1,295,108,005</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(73,824,736)	118,865,070
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(12,707,028)	(28,975,166)
Change in unrealized (gain) loss on non-derivative financial assets	87,501,929	(92,148,062)
Other non-cash transactions	(29,342,689)	(22,403,910)
Purchases of non-derivative financial assets and liabilities	(135,863,431)	(58,979,857)
Proceeds from sale of non-derivative financial assets and liabilities	7,225,000	23,176,494
Accrued investment income and other	1,432	(5,678)
Accrued expenses and other payables	—	(65,794)
Net cash provided by (used in) operating activities	<u>(157,009,523)</u>	<u>(60,536,903)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	333,847,936	211,215,299
Amounts paid on redemption of redeemable units	(179,764,641)	(149,734,385)
Distributions to unitholders of redeemable units	(1)	(38,837)
Net cash provided by (used in) financing activities	<u>154,083,294</u>	<u>61,442,077</u>
Net increase (decrease) in cash	(2,926,229)	905,174
Cash (bank overdraft), beginning of period	6,531,344	5,626,170
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,605,115</u>	<u>6,531,344</u>
Interest received, net of withholding taxes ⁽¹⁾	87,807	38,971

⁽¹⁾ Classified as operating items.

Scotia Selected Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 33.9%			
Dynamic Small Business Fund Series O†	7,182,343	109,353,479	116,353,963
Dynamic Value Fund of Canada Series O†	10,976,957	118,904,738	116,026,432
Scotia Canadian Dividend Fund Series I†	2,770,373	122,441,093	165,023,943
Scotia Canadian Growth Fund Series I†	924,597	69,228,599	69,222,921
		<u>419,927,909</u>	<u>466,627,259</u>
FIXED INCOME FUNDS – 26.3%			
Dynamic High Yield Bond Fund Series O†	12,196,007	37,950,709	34,514,699
Dynamic Total Return Bond Fund Series O†	18,993,392	183,215,388	181,956,699
Scotia Canadian Income Fund Series I†	5,483,173	72,833,329	72,837,919
Scotia Private Canadian Corporate Bond Pool Series I†	6,865,463	74,596,442	72,157,388
		<u>368,595,868</u>	<u>361,466,705</u>
FOREIGN EQUITY FUNDS – 39.5%			
Dynamic Power Global Growth Class Series O†	2,539,415	55,169,627	56,857,493
Scotia Global Dividend Fund Series I†	10,513,512	164,515,547	157,575,465
Scotia Global Growth Fund Series I†	2,125,015	96,961,443	164,611,531
Scotia Global Equity Fund Series I†	7,812,433	91,366,388	111,811,538
Scotia Global Small Cap Fund Series I†	4,451,366	45,064,092	52,807,001
		<u>453,077,097</u>	<u>543,663,028</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,241,600,874</u>	<u>1,371,756,992</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>4,355,080</u>
NET ASSETS – 100.0%			<u>1,376,112,072</u>

† Investment in related party (note 10)

Scotia Selected Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$137,175,699 (December 31, 2017 – \$128,847,045). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	33.9	34.6
Fixed Income Funds	26.3	23.8
Foreign Equity Funds	39.5	41.1

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,371,756,992	–	–	1,371,756,992
	1,371,756,992	–	–	1,371,756,992

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	52,807,001	44.7
Scotia Global Equity Fund Series I	111,811,538	37.0
Scotia Canadian Growth Fund Series I	69,222,921	21.9
Scotia Global Dividend Fund Series I	157,575,465	19.9
Scotia Global Growth Fund Series I	164,611,531	15.2
Dynamic Small Business Fund Series O	116,353,963	10.0
Dynamic High Yield Bond Fund Series O	34,514,699	8.9
Dynamic Value Fund of Canada Series O	116,026,432	8.8
Dynamic Total Return Bond Fund Series O	181,956,699	5.5
Dynamic Power Global Growth Class Series O	56,857,493	4.8
Scotia Canadian Dividend Fund Series I	165,023,943	1.8
Scotia Private Canadian Corporate Bond Pool Series I	72,157,388	1.4
Scotia Canadian Income Fund Series I	72,837,919	1.2
	1,371,756,992	

Scotia Selected Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	52,353,564	43.1
Scotia Global Equity 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	

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

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

Scotia Selected Maximum Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	387,899,481	346,290,383
Cash	930,176	2,112,369
Subscriptions receivable	677,262	729,926
Accrued investment income and other	1,926	1,546
	<u>389,508,845</u>	<u>349,134,224</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	20,000	610,000
Redemptions payable	321,701	171,467
	<u>341,701</u>	<u>781,467</u>
Net assets attributable to holders of redeemable units	<u>389,167,144</u>	<u>348,352,757</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	388,413,349	347,470,901
Advisor Series	224,477	429,703
Series F	462,448	452,153
Series T	66,870	-
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	20.32	21.75
Advisor Series	20.18	21.60
Series F	21.26	22.52
Series T	14.10	-

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	6,720,473	4,600,804
Interest for distribution purposes	819,354	484,342
Net realized gain (loss) on non-derivative financial assets	4,562,733	7,732,758
Change in unrealized gain (loss) on non-derivative financial assets	(31,229,332)	31,886,683
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(19,126,772)	44,704,587
Other income	9,622	7,524
Total income (loss), net	<u>(19,117,150)</u>	<u>44,712,111</u>
EXPENSES		
Management fees (note 5)	7,433,024	6,020,799
Fixed administration fees and operating expenses (note 6)	273,982	223,031
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	427,655	268,321
Harmonized Sales Tax/Goods and Services Tax	796,725	648,295
Total expenses	<u>8,932,635</u>	<u>7,161,581</u>
Expenses absorbed by the Manager	-	(28)
Net expenses	<u>8,932,635</u>	<u>7,161,553</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(28,049,785)</u>	<u>37,550,558</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(28,004,872)	37,462,222
Advisor Series	(16,831)	48,691
Series F	(27,205)	39,645
Series T	(877)	-
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.58)	2.45
Advisor Series	(1.03)	2.42
Series F	(1.43)	2.45
Series T	(0.71)	-
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	17,728,821	15,320,275
Advisor Series	16,364	20,141
Series F	18,959	16,168
Series T	1,240	-

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

Scotia Selected Maximum Growth Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	347,470,901	283,289,407
Advisor Series	429,703	388,302
Series F	452,153	201,060
	<u>348,352,757</u>	<u>283,878,769</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(28,004,872)	37,462,222
Advisor Series	(16,831)	48,691
Series F	(27,205)	39,645
Series T	(877)	-
	<u>(28,049,785)</u>	<u>37,550,558</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From return of capital		
Series T	(326)	-
	<u>(326)</u>	<u>-</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	121,874,833	67,893,830
Series F	216,463	349,544
Series T	67,747	-
Reinvested distributions		
Series T	326	-
Payments on redemption		
Series A	(52,927,513)	(41,174,558)
Advisor Series	(188,395)	(7,290)
Series F	(178,963)	(138,096)
	<u>68,864,498</u>	<u>26,923,430</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	40,942,448	64,181,494
Advisor Series	(205,226)	41,401
Series F	10,295	251,093
Series T	66,870	-
	<u>40,814,387</u>	<u>64,473,988</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	388,413,349	347,470,901
Advisor Series	224,477	429,703
Series F	462,448	452,153
Series T	66,870	-
	<u>389,167,144</u>	<u>348,352,757</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(28,049,785)	37,550,558
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(4,562,733)	(7,732,758)
Change in unrealized (gain) loss on non-derivative financial assets	31,229,332	(31,886,683)
Other non-cash transactions	(7,084,497)	(4,804,737)
Purchases of non-derivative financial assets and liabilities	(66,831,201)	(25,112,587)
Proceeds from sale of non-derivative financial assets and liabilities	5,050,000	6,305,922
Accrued investment income and other	(380)	(1,100)
Accrued expenses and other payables	-	(18,588)
	<u>(70,249,264)</u>	<u>(25,699,973)</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	121,998,844	67,851,131
Amounts paid on redemption of redeemable units	(52,931,773)	(41,014,212)
Distributions to unitholders of redeemable units	-	(3,788)
	<u>69,067,071</u>	<u>26,833,131</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in cash	(1,182,193)	1,133,158
Cash (bank overdraft), beginning of period	2,112,369	979,211
	<u>930,176</u>	<u>2,112,369</u>
CASH (BANK OVERDRAFT), END OF PERIOD		
	27,296	10,987

(1) Classified as operating items.

Scotia Selected Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 39.2%			
Dynamic Small Business Fund Series O†	2,361,878	37,106,733	38,262,429
Dynamic Value Fund of Canada Series O†	4,328,433	47,802,683	45,751,537
Scotia Canadian Dividend Fund Series I†	641,054	30,764,097	38,185,929
Scotia Canadian Growth Fund Series I†	407,499	31,290,684	30,508,720
		<u>146,964,197</u>	<u>152,708,615</u>
FIXED INCOME FUNDS – 10.3%			
Dynamic High Yield Bond Fund Series O†	2,046,936	6,348,386	5,792,829
Dynamic Total Return Bond Fund Series O†	2,514,582	24,347,692	24,089,696
Scotia Private Canadian Corporate Bond Pool Series I†	961,262	10,441,242	10,103,061
		<u>41,137,320</u>	<u>39,985,586</u>
FOREIGN EQUITY FUNDS – 50.2%			
Dynamic Power Global Growth Class Series O†	1,183,168	25,968,648	26,491,136
Scotia Global Dividend Fund Series I†	2,752,502	43,621,374	41,254,230
Scotia Global Growth Fund Series I†	767,527	39,399,310	59,455,459
Scotia Global Equity Fund Series I†	3,382,892	40,886,386	48,415,946
Scotia Global Small Cap Fund Series I†	1,651,213	17,281,898	19,588,509
		<u>167,157,616</u>	<u>195,205,280</u>
TOTAL INVESTMENT PORTFOLIO		<u>355,259,133</u>	<u>387,899,481</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>1,267,663</u>
NET ASSETS – 100.0%			<u>389,167,144</u>

† Investment in related party (note 10)

Scotia Selected Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$38,789,948 (December 31, 2017 – \$34,629,038). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	39.2	39.2
Fixed Income Funds	10.3	9.6
Foreign Equity Funds	50.2	50.6

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	387,899,481	–	–	387,899,481
	387,899,481	–	–	387,899,481

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	346,290,383	–	–	346,290,383
	346,290,383	–	–	346,290,383

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Small Cap Fund Series I	19,588,509	16.6
Scotia Global Equity Fund Series I	48,415,946	16.0
Scotia Canadian Growth Fund Series I	30,508,720	9.7
Scotia Global Growth Fund Series I	59,455,459	5.5
Scotia Global Dividend Fund Series I	41,254,230	5.2
Dynamic Value Fund of Canada Series O	45,751,537	3.5
Dynamic Small Business Fund Series O	38,262,429	3.3
Dynamic Power Global Growth Class Series O	26,491,136	2.2
Dynamic High Yield Bond Fund Series O	5,792,829	1.5
Dynamic Total Return Bond Fund Series O	24,089,696	0.7
Scotia Canadian Dividend Fund Series I	38,185,929	0.4
Scotia Private Canadian Corporate Bond Pool Series I	10,103,061	0.2
	387,899,481	

Scotia Selected Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Equity 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	

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

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

Scotia Partners Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	692,620,531	772,630,369
Cash	394,256	997,553
Receivable for securities sold	500,000	518,400
Subscriptions receivable	198,320	376,605
Accrued investment income and other	771	3,203
	<u>693,713,878</u>	<u>774,526,130</u>
LIABILITIES		
Current liabilities		
Redemptions payable	623,343	637,351
Distributions payable	66,101	7,796
	<u>689,444</u>	<u>645,147</u>
Net assets attributable to holders of redeemable units	<u>693,024,434</u>	<u>773,880,983</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	689,651,965	771,861,918
Series T	<u>3,372,469</u>	<u>2,019,065</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	10.93	11.22
Series T	<u>14.59</u>	<u>15.20</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,941,773	9,571,568
Interest for distribution purposes	13,813,159	11,727,179
Net realized gain (loss) on non-derivative financial assets	6,155,313	8,332,499
Change in unrealized gain (loss) on non-derivative financial assets	<u>(22,039,872)</u>	<u>13,735,811</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	5,870,373	43,367,057
Other income	11,062	11,172
Total income (loss), net	<u>5,881,435</u>	<u>43,378,229</u>
EXPENSES		
Management fees (note 5)	13,017,890	13,434,786
Fixed administration fees (note 6)	371,940	383,584
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	343	-
Foreign withholding taxes/tax reclaims	95,223	141,975
Harmonized Sales Tax/Goods and Services Tax	1,470,802	1,519,672
Total expenses	<u>14,957,447</u>	<u>15,481,152</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(9,076,012)</u>	<u>27,897,077</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(9,043,905)	27,848,944
Series T	<u>(32,107)</u>	<u>48,133</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.14)	0.40
Series T	<u>(0.15)</u>	<u>0.50</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	66,258,628	69,045,286
Series T	<u>220,560</u>	<u>96,590</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	771,861,918	757,883,846
Series T	<u>2,019,065</u>	<u>1,004,472</u>
	<u>773,880,983</u>	<u>758,888,318</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(9,043,905)	27,848,944
Series T	<u>(32,107)</u>	<u>48,133</u>
	<u>(9,076,012)</u>	<u>27,897,077</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(6,700,164)	(5,672,155)
Series T	<u>(41,070)</u>	<u>(23,578)</u>
From net realized gains on investments		
Series A	(3,279,725)	(1,868,101)
Series T	<u>(15,978)</u>	<u>(4,603)</u>
From return of capital		
Series T	<u>(43,535)</u>	<u>(16,623)</u>
	<u>(10,080,472)</u>	<u>(7,585,060)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	88,644,734	119,117,421
Series T	<u>2,426,741</u>	<u>1,188,592</u>
Reinvested distributions		
Series A	9,871,702	7,446,984
Series T	<u>80,155</u>	<u>33,504</u>
Payments on redemption		
Series A	(161,702,595)	(132,895,021)
Series T	<u>(1,020,802)</u>	<u>(210,832)</u>
	<u>(61,700,065)</u>	<u>(5,319,352)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(82,209,953)	13,978,072
Series T	<u>1,353,404</u>	<u>1,014,593</u>
	<u>(80,856,549)</u>	<u>14,992,665</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	689,651,965	771,861,918
Series T	<u>3,372,469</u>	<u>2,019,065</u>
	<u>693,024,434</u>	<u>773,880,983</u>

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

Scotia Partners Income Portfolio (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(9,076,012)	27,897,077
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(6,155,313)	(8,332,499)
Change in unrealized (gain) loss on non-derivative financial assets	22,039,872	(13,735,811)
Other non-cash transactions	(21,647,631)	(21,140,919)
Purchases of non-derivative financial assets and liabilities	–	(62,237,454)
Proceeds from sale of non-derivative financial assets and liabilities	85,791,310	87,796,878
Accrued investment income and other	2,432	(1,723)
Accrued expenses and other payables	–	(42,666)
Net cash provided by (used in) operating activities	<u>70,954,658</u>	<u>10,202,883</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	91,249,760	120,725,026
Amounts paid on redemption of redeemable units	(162,737,405)	(132,971,015)
Distributions to unitholders of redeemable units	(70,310)	(307,340)
Net cash provided by (used in) financing activities	<u>(71,557,955)</u>	<u>(12,553,329)</u>
Net increase (decrease) in cash	(603,297)	(2,350,446)
Cash (bank overdraft), beginning of period	997,553	3,347,999
CASH (BANK OVERDRAFT), END OF PERIOD	<u><u>394,256</u></u>	<u><u>997,553</u></u>
Interest paid ⁽¹⁾	343	–
Interest received, net of withholding taxes ⁽¹⁾	14,509	14,131

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 11.2%			
CI Cambridge Canadian Equity Corporate Class, Class I	399,030	7,659,599	7,971,464
Dynamic Dividend Advantage Fund Series O [†]	1,200,713	8,842,585	8,140,833
Dynamic Small Business Fund Series O [†]	903,717	13,764,609	14,640,221
Scotia Canadian Dividend Fund Series I [†]	662,617	35,698,094	39,470,393
Scotia Private Canadian All Cap Equity Pool Series I [†]	830,676	8,369,071	7,551,428
		<u>74,333,958</u>	<u>77,774,339</u>
FIXED INCOME FUNDS – 68.5%			
Dynamic Canadian Bond Fund Series O [†]	15,345,864	80,138,869	77,956,990
Dynamic Total Return Bond Fund Series O [†]	19,333,989	186,002,419	185,219,615
PIMCO Monthly Income Fund (Canada) Series I	5,734,058	80,575,517	79,542,849
Scotia Private Canadian Corporate Bond Pool Series I [†]	12,579,594	135,076,095	132,214,046
		<u>481,792,900</u>	<u>474,933,500</u>
FOREIGN EQUITY FUNDS – 20.2%			
AGF Global Dividend Fund Series O	493,022	11,156,767	13,396,836
Dynamic Global Infrastructure Fund Series O [†]	695,753	10,908,456	13,323,672
Mackenzie Ivy Foreign Equity Fund Series O	1,882,565	21,577,630	23,691,889
Mawer International Equity Fund Class O	377,772	19,919,016	20,353,083
Mawer U.S. Equity Fund Series O	355,376	14,388,418	16,651,289
Scotia Private Global Credit Pool Series I [†]	5,632,247	55,841,228	52,495,923
		<u>133,791,515</u>	<u>139,912,692</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>689,918,373</u></u>	<u><u>692,620,531</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>403,903</u>
NET ASSETS – 100.0%			<u><u>693,024,434</u></u>

[†] Investment in related party (note 10)

Scotia Partners Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$69,262,053 (December 31, 2017 – \$77,263,037). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	11.2	12.1
Fixed Income Funds	68.5	67.4
Foreign Equity Funds	20.2	20.3

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	692,620,531	–	–	692,620,531
	692,620,531	–	–	692,620,531

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	772,630,369	–	–	772,630,369
	772,630,369	–	–	772,630,369

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Partners Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	52,495,923	13.0
Dynamic Canadian Bond Fund Series O	77,956,990	6.6
Dynamic Total Return Bond Fund Series O	185,219,615	5.6
Scotia Private Canadian Corporate Bond Pool Series I	132,214,046	2.5
Dynamic Dividend Advantage Fund Series O	8,140,833	1.4
Dynamic Small Business Fund Series O	14,640,221	1.3
Scotia Private Canadian All Cap Equity Pool Series I	7,551,428	1.2
Dynamic Global Infrastructure Fund Series O	13,323,672	1.1
Mackenzie Ivy Foreign Equity Fund Series O	23,691,889	0.6
Mawer U.S. Equity Fund Series O	16,651,289	0.6
PIMCO Monthly Income Fund (Canada) Series I	79,542,849	0.5
AGF Global Dividend Fund Series O	13,396,836	0.5
Scotia Canadian Dividend Fund Series I	39,470,393	0.4
Mawer International Equity Fund Class O	20,353,083	0.4
CI Cambridge Canadian Equity Corporate Class, Class I	7,971,464	0.2
	692,620,531	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	58,316,982	13.8
Dynamic 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	

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

Scotia Partners Balanced Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,208,479,328	1,327,593,055
Cash	716,331	1,940,493
Receivable for securities sold	—	388,375
Subscriptions receivable	1,970,687	849,681
Accrued investment income and other	1,419	1,635
	<u>1,211,167,765</u>	<u>1,330,773,239</u>
LIABILITIES		
Current liabilities		
Redemptions payable	810,009	740,851
Distributions payable	243,164	40,378
	<u>1,053,173</u>	<u>781,229</u>
Net assets attributable to holders of redeemable units	<u>1,210,114,592</u>	<u>1,329,992,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,206,674,666	1,327,290,906
Series F	935,709	428,295
Series T	<u>2,504,217</u>	<u>2,272,809</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.72	14.17
Series F	13.70	14.05
Series T	<u>14.10</u>	<u>15.00</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	13,808,932	15,350,704
Interest for distribution purposes	26,621,711	20,741,671
Net realized gain (loss) on non-derivative financial assets	21,570,145	19,610,750
Change in unrealized gain (loss) on non-derivative financial assets	(52,490,877)	28,352,194
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	9,509,911	84,055,319
Other income	11,204	15,578
Total income (loss), net	<u>9,521,115</u>	<u>84,070,897</u>
EXPENSES		
Management fees (note 5)	23,712,965	24,365,282
Fixed administration fees (note 6)	641,051	658,581
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	76	—
Foreign withholding taxes/tax reclaims	230,057	287,014
Harmonized Sales Tax/Goods and Services Tax	2,706,395	2,778,246
Total expenses	<u>27,291,793</u>	<u>28,090,258</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(17,770,678)</u>	<u>55,980,639</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(17,720,378)	55,900,570
Series F	429	5,915
Series T	<u>(50,729)</u>	<u>74,154</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.20)	0.59
Series F	0.01	0.38
Series T	<u>(0.30)</u>	<u>0.72</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	90,166,890	93,974,424
Series F	41,401	15,755
Series T	<u>168,958</u>	<u>102,994</u>

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

Scotia 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,327,290,906	1,279,928,076
Series F	428,295	197,467
Series T	2,272,809	790,017
	<u>1,329,992,010</u>	<u>1,280,915,560</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(17,720,378)	55,900,570
Series F	429	5,915
Series T	(50,729)	74,154
	<u>(17,770,678)</u>	<u>55,980,639</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(12,905,454)	(7,804,356)
Series F	(25,567)	(9,307)
Series T	(30,374)	(29,276)
From net realized gains on investments		
Series A	(8,708,213)	(3,224,605)
Series F	(6,816)	(1,031)
Series T	(18,075)	(5,508)
From return of capital		
Series T	(53,474)	(29,044)
	<u>(21,747,973)</u>	<u>(11,103,127)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	152,593,812	195,953,768
Series F	760,824	299,373
Series T	718,241	1,698,073
Reinvested distributions		
Series A	21,386,081	10,989,860
Series F	20,439	8,870
Series T	54,167	30,061
Payments on redemption		
Series A	(255,262,088)	(204,452,407)
Series F	(241,895)	(72,992)
Series T	(388,348)	(255,668)
	<u>(80,358,767)</u>	<u>4,198,938</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(120,616,240)	47,362,830
Series F	507,414	230,828
Series T	231,408	1,482,792
	<u>(119,877,418)</u>	<u>49,076,450</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,206,674,666	1,327,290,906
Series F	935,709	428,295
Series T	2,504,217	2,272,809
	<u>1,210,114,592</u>	<u>1,329,992,010</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(17,770,678)	55,980,639
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,570,145)	(19,610,750)
Change in unrealized (gain) loss on non-derivative financial assets	52,490,877	(28,352,194)
Other non-cash transactions	(40,174,228)	(35,780,281)
Purchases of non-derivative financial assets and liabilities	(7,500,000)	(104,212,336)
Proceeds from sale of non-derivative financial assets and liabilities	136,255,598	135,481,125
Accrued investment income and other	216	1,405
Accrued expenses and other payables	-	(73,993)
Net cash provided by (used in) operating activities	<u>101,731,640</u>	<u>3,433,615</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	152,074,412	197,979,257
Amounts paid on redemption of redeemable units	(254,945,714)	(204,880,526)
Distributions to unitholders of redeemable units	(84,500)	(158,132)
Net cash provided by (used in) financing activities	<u>(102,955,802)</u>	<u>(7,059,401)</u>
Net increase (decrease) in cash	(1,224,162)	(3,625,786)
Cash (bank overdraft), beginning of period	1,940,493	5,566,279
CASH (BANK OVERDRAFT), END OF PERIOD	<u>716,331</u>	<u>1,940,493</u>
Interest paid ⁽¹⁾	76	-
Interest received, net of withholding taxes ⁽¹⁾	26,574	26,485

⁽¹⁾ Classified as operating items.

Scotia Partners Balanced Income Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 15.9%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,399,155	25,237,177	27,951,060
Dynamic Dividend Advantage Fund Series O [†]	4,578,091	33,148,174	31,039,456
Dynamic Small Business Fund Series O [†]	2,254,092	34,733,083	36,516,285
Scotia Canadian Dividend Fund Series I [†]	1,307,529	58,321,223	77,886,079
Scotia Private Canadian All Cap Equity Pool Series I [†]	2,085,683	21,020,128	18,960,322
		<u>172,459,785</u>	<u>192,353,202</u>
FIXED INCOME FUNDS – 59.7%			
Dynamic Canadian Bond Fund Series O [†]	15,545,539	81,083,831	78,971,337
Dynamic Total Return Bond Fund Series O [†]	16,801,491	161,844,219	160,958,280
PIMCO Monthly Income Fund (Canada) Series I	8,647,058	122,839,186	119,951,989
Scotia Canadian Income Fund Series I [†]	12,246,917	165,845,363	162,686,816
Scotia Private Canadian Corporate Bond Pool Series I [†]	18,999,717	201,844,076	199,690,823
		<u>733,456,675</u>	<u>722,259,245</u>
FOREIGN EQUITY FUNDS – 24.3%			
AGF Global Dividend Fund Series O	1,206,848	28,677,404	32,793,573
Dynamic Global Infrastructure Fund Series O [†]	1,064,604	17,666,231	20,387,161
Mackenzie Ivy Foreign Equity Fund Series O	4,263,367	50,031,886	53,654,050
Mackenzie US Mid Cap Growth Class Series O	348,503	9,246,815	17,141,035
Mawer International Equity Fund Class O	1,066,257	53,333,633	57,446,293
Mawer U.S. Equity Fund Series O	685,155	20,558,593	32,103,228
Scotia Private Global Credit Pool Series I [†]	8,619,782	85,461,264	80,341,541
		<u>264,975,826</u>	<u>293,866,881</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>1,170,892,286</u></u>	<u><u>1,208,479,328</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>1,635,264</u>
NET ASSETS – 100.0%			<u><u>1,210,114,592</u></u>

[†] Investment in related party (note 10)

Scotia Partners Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$120,847,933 (December 31, 2017 – \$132,759,306). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	15.9	17.2
Fixed Income Funds	59.7	58.2
Foreign Equity Funds	24.3	24.4

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	1,208,479,328	–	–	1,208,479,328
	1,208,479,328	–	–	1,208,479,328

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,327,593,055	–	–	1,327,593,055
	1,327,593,055	–	–	1,327,593,055

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Partners Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	80,341,541	19.9
Dynamic Canadian Bond Fund Series O	78,971,337	6.7
Mackenzie US Mid Cap Growth Class Series O	17,141,035	6.1
Dynamic Dividend Advantage Fund Series O	31,039,456	5.2
Dynamic Total Return Bond Fund Series O	160,958,280	4.9
Scotia Private Canadian Corporate Bond Pool Series I	199,690,823	3.8
Dynamic Small Business Fund Series O	36,516,285	3.1
Scotia Private Canadian All Cap Equity Pool Series I	18,960,322	3.0
Scotia Canadian Income Fund Series I	162,686,816	2.6
Dynamic Global Infrastructure Fund Series O	20,387,161	1.7
AGF Global Dividend Fund Series O	32,793,573	1.3
Mackenzie Ivy Foreign Equity Fund Series O	53,654,050	1.3
Mawer International Equity Fund Class O	57,446,293	1.2
Mawer U.S. Equity Fund Series O	32,103,228	1.2
Scotia Canadian Dividend Fund Series I	77,886,079	0.9
PIMCO Monthly Income Fund (Canada) Series I	119,951,989	0.7
CI Cambridge Canadian Equity Corporate Class, Class I	27,951,060	0.6
	1,208,479,328	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	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	

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

Scotia Partners Balanced Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,815,316,807	2,987,123,491
Cash	32,268	3,260,192
Receivable for securities sold	1,600,000	2,652,300
Subscriptions receivable	1,365,212	1,935,629
Accrued investment income and other	3,406	4,458
	<u>2,818,317,693</u>	<u>2,994,976,070</u>
LIABILITIES		
Current liabilities		
Redemptions payable	2,212,904	2,024,690
Distributions payable	130,727	19,838
	<u>2,343,631</u>	<u>2,044,528</u>
Net assets attributable to holders of redeemable units	<u>2,815,974,062</u>	<u>2,992,931,542</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,802,872,118	2,986,791,597
Series F	8,492,746	2,246,785
Series T	4,609,198	3,893,160
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.68	17.30
Series F	17.83	18.31
Series T	14.60	15.72

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	42,243,145	40,335,981
Interest for distribution purposes	33,872,993	29,612,208
Net realized gain (loss) on non-derivative financial assets	83,936,460	51,183,611
Change in unrealized gain (loss) on non-derivative financial assets	(166,553,849)	150,832,122
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(6,501,251)	271,963,922
Other income	35,604	25,821
Total income (loss), net	<u>(6,465,647)</u>	<u>271,989,743</u>
EXPENSES		
Management fees (note 5)	58,076,171	56,682,908
Fixed administration fees (note 6)	1,192,723	1,162,340
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	831,518	1,359,168
Harmonized Sales Tax/Goods and Services Tax	6,523,453	6,369,596
Total expenses	<u>66,625,114</u>	<u>65,575,147</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(73,090,761)</u>	<u>206,414,596</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(72,775,334)	206,146,913
Series F	(181,087)	104,035
Series T	(134,340)	163,648
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.43)	1.19
Series F	(0.49)	1.20
Series T	(0.48)	0.97
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	170,471,455	173,665,387
Series F	369,571	87,043
Series T	278,202	169,317

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

Scotia Partners 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,986,791,597	2,802,966,150
Series F	2,246,785	1,152,696
Series T	3,893,160	1,493,871
	<u>2,992,931,542</u>	<u>2,805,612,717</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(72,775,334)	206,146,913
Series F	(181,087)	104,035
Series T	(134,340)	163,648
	<u>(73,090,761)</u>	<u>206,414,596</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(3,016,309)	(1,462,414)
Series F	(134,307)	(35,788)
Series T	(20,112)	(26,081)
From net realized gains on investments		
Series A	(26,661,329)	—
Series F	(80,047)	—
Series T	(44,329)	—
From return of capital		
Series T	(145,205)	(106,864)
	<u>(30,101,638)</u>	<u>(1,631,147)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	313,977,029	335,217,128
Series F	7,844,835	1,819,669
Series T	2,212,806	2,998,196
Reinvested distributions		
Series A	29,590,349	1,455,639
Series F	183,018	30,372
Series T	76,355	42,163
Payments on redemption		
Series A	(425,033,885)	(357,531,819)
Series F	(1,386,451)	(824,199)
Series T	(1,229,137)	(671,773)
	<u>(73,765,081)</u>	<u>(17,464,624)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(183,919,479)	183,825,447
Series F	6,245,961	1,094,089
Series T	716,038	2,399,289
	<u>(176,957,480)</u>	<u>187,318,825</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,802,872,118	2,986,791,597
Series F	8,492,746	2,246,785
Series T	4,609,198	3,893,160
	<u>2,815,974,062</u>	<u>2,992,931,542</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(73,090,761)	206,414,596
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(83,936,460)	(51,183,611)
Change in unrealized (gain) loss on non-derivative financial assets	166,553,849	(150,832,122)
Other non-cash transactions	(75,210,238)	(68,537,732)
Purchases of non-derivative financial assets and liabilities	(31,010,990)	(149,501,963)
Proceeds from sale of non-derivative financial assets and liabilities	196,462,822	226,924,794
Accrued investment income and other	1,052	(600)
Accrued expenses and other payables	—	(173,785)
Net cash provided by (used in) operating activities	<u>99,769,274</u>	<u>13,109,577</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	316,960,740	338,918,506
Amounts paid on redemption of redeemable units	(419,816,912)	(357,506,150)
Distributions to unitholders of redeemable units	(141,026)	(348,085)
Net cash provided by (used in) financing activities	<u>(102,997,198)</u>	<u>(18,935,729)</u>
Net increase (decrease) in cash	(3,227,924)	(5,826,152)
Cash (bank overdraft), beginning of period	3,260,192	9,086,344
CASH (BANK OVERDRAFT), END OF PERIOD	<u>32,268</u>	<u>3,260,192</u>
Interest received, net of withholding taxes ⁽¹⁾	75,433	50,689

⁽¹⁾ Classified as operating items.

Scotia Partners Balanced Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 27.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	4,751,335	71,185,496	94,917,901
Dynamic Small Business Fund Series O†	6,675,282	102,526,774	108,139,575
Dynamic Value Fund of Canada Series O†	7,851,274	93,394,575	82,987,962
Scotia Canadian Dividend Fund Series I†	4,541,565	194,152,140	270,529,229
Scotia Private Canadian All Cap Equity Pool Series I†	10,086,645	101,380,675	91,694,659
Scotia Private Fundamental Canadian Equity Pool Series I†	12,210,314	121,895,884	115,671,967
		<u>684,535,544</u>	<u>763,941,293</u>
FIXED INCOME FUNDS – 37.4%			
Dynamic Total Return Bond Fund Series O†	21,122,444	204,172,251	202,353,009
PIMCO Monthly Income Fund (Canada) Series I	12,504,665	182,026,865	173,464,713
Scotia Canadian Income Fund Series I†	29,187,661	393,245,000	387,725,974
Scotia Private Canadian Corporate Bond Pool Series I†	27,610,444	290,411,581	290,191,283
		<u>1,069,855,697</u>	<u>1,053,734,979</u>
FOREIGN EQUITY FUNDS – 35.4%			
AGF Global Dividend Fund Series O	4,860,337	109,121,958	132,069,450
Dynamic Global Equity Fund Series O†	8,907,436	101,693,194	132,097,269
Dynamic Global Infrastructure Fund Series O†	4,641,260	83,308,262	88,880,126
Mackenzie Emerging Markets Class Series O	618,044	17,221,082	18,626,240
Mackenzie Emerging Markets Fund Series O	2,401,529	22,553,132	20,016,507
Mackenzie Ivy Foreign Equity Fund Series O	3,347,023	36,169,051	42,121,954
Mackenzie US Mid Cap Growth Class Series O	1,799,096	38,266,350	88,488,193
Mawer International Equity Fund Class O	2,601,558	119,129,009	140,163,079
Mawer U.S. Equity Fund Series O	2,823,623	79,102,123	132,301,972
Scotia Global Growth Fund Series I†	1,125,901	56,226,873	87,216,424
Scotia Private Global Credit Pool Series I†	12,409,000	123,029,733	115,659,321
		<u>785,820,767</u>	<u>997,640,535</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,540,212,008</u></u>	<u><u>2,815,316,807</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>657,255</u>
NET ASSETS – 100.0%			<u><u>2,815,974,062</u></u>

† Investment in related party (note 10)

Scotia Partners Balanced Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$281,531,681 (December 31, 2017 – \$298,712,349). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	27.1	28.5
Fixed Income Funds	37.4	35.1
Foreign Equity Funds	35.4	36.2

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,815,316,807	–	–	2,815,316,807
	2,815,316,807	–	–	2,815,316,807

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Partners Balanced Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	115,671,967	45.1
Mackenzie US Mid Cap Growth Class Series O	88,488,193	31.5
Scotia Private Global Credit Pool Series I	115,659,321	28.6
Mackenzie Emerging Markets Fund Series O	20,016,507	19.5
Dynamic Global Equity Fund Series O	132,097,269	15.9
Scotia Private Canadian All Cap Equity Pool Series I	91,694,659	14.4
Dynamic Small Business Fund Series O	108,139,575	9.3
Scotia Global Growth Fund Series I	87,216,424	8.0
Dynamic Global Infrastructure Fund Series O	88,880,126	7.6
Dynamic Value Fund of Canada Series O	82,987,962	6.3
Scotia Canadian Income Fund Series I	387,725,974	6.2
Dynamic Total Return Bond Fund Series O	202,353,009	6.1
Mackenzie Emerging Markets Class Series O	18,626,240	5.9
Scotia Private Canadian Corporate Bond Pool Series I	290,191,283	5.6
AGF Global Dividend Fund Series O	132,069,450	5.2
Mawer U.S. Equity Fund Series O	132,301,972	4.8
Scotia Canadian Dividend Fund Series I	270,529,229	3.0
Mawer International Equity Fund Class O	140,163,079	2.9
CI Cambridge Canadian Equity Corporate Class, Class I	94,917,901	2.2
PIMCO Monthly Income Fund (Canada) Series I	173,464,713	1.0
Mackenzie Ivy Foreign Equity Fund Series O	42,121,954	1.0
	2,815,316,807	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	128,328,373	45.5
Scotia Private Global Credit Pool Series I	120,067,722	28.3
Scotia Private Canadian All Cap Equity Pool Series I	107,246,654	27.4
Dynamic Global Equity Fund Series O	143,930,493	16.3
Dynamic Small Business Fund Series O	122,294,842	10.7
Scotia Global Growth Fund Series I	97,547,232	9.1
Dynamic Global Infrastructure Fund Series O	96,131,862	8.1
Dynamic 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	

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

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

Scotia Partners Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,295,153,956	3,514,670,368
Cash	320,641	4,420,755
Receivable for securities sold	1,437,500	2,822,500
Subscriptions receivable	1,358,493	1,788,532
Accrued investment income and other	4,312	11,862
	<u>3,298,274,902</u>	<u>3,523,714,017</u>
LIABILITIES		
Current liabilities		
Redemptions payable	1,640,310	2,269,819
Distributions payable	28,687	393
	<u>1,668,997</u>	<u>2,270,212</u>
Net assets attributable to holders of redeemable units	<u>3,296,605,905</u>	<u>3,521,443,805</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,289,847,903	3,517,109,444
Series F	5,114,326	3,653,526
Series T	<u>1,643,676</u>	<u>680,835</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	21.31	22.15
Series F	23.61	24.63
Series T	<u>14.57</u>	<u>15.82</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	51,669,462	45,048,074
Interest for distribution purposes	25,199,930	22,010,746
Net realized gain (loss) on non-derivative financial assets	123,209,018	81,805,061
Change in unrealized gain (loss) on non-derivative financial assets	(244,227,728)	246,702,154
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(44,149,318)	395,566,035
Other income	43,155	21,661
Total income (loss), net	<u>(44,106,163)</u>	<u>395,587,696</u>
EXPENSES		
Management fees (note 5)	72,325,302	69,830,844
Fixed administration fees (note 6)	1,412,127	1,361,600
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	29	-
Foreign withholding taxes/tax reclaims	1,838,525	2,240,366
Harmonized Sales Tax/Goods and Services Tax	7,779,447	7,510,827
Total expenses	<u>83,356,679</u>	<u>80,944,772</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(127,462,842)</u>	<u>314,642,924</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(127,200,419)	314,267,046
Series F	(168,461)	332,920
Series T	<u>(93,962)</u>	<u>42,958</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.81)	1.96
Series F	(0.91)	2.43
Series T	<u>(1.10)</u>	<u>1.32</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	157,454,249	160,576,561
Series F	185,143	136,874
Series T	<u>85,205</u>	<u>32,496</u>

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

Scotia 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,517,109,444	3,270,878,145
Series F	3,653,526	2,912,642
Series T	680,835	308,613
	<u>3,521,443,805</u>	<u>3,274,099,400</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(127,200,419)	314,267,046
Series F	(168,461)	332,920
Series T	(93,962)	42,958
	<u>(127,462,842)</u>	<u>314,642,924</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net realized gains on investments		
Series A	(2,399,982)	–
Series F	(77,895)	–
Series T	(12,322)	–
From return of capital		
Series T	(54,005)	(25,221)
	<u>(2,544,204)</u>	<u>(25,221)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	356,654,850	343,495,304
Series F	3,625,347	868,056
Series T	1,526,302	470,204
Reinvested distributions		
Series A	2,397,390	(2,736)
Series F	54,576	–
Series T	40,880	22,898
Payments on redemption		
Series A	(456,713,380)	(411,528,315)
Series F	(1,972,767)	(460,092)
Series T	(444,052)	(138,617)
	<u>(94,830,854)</u>	<u>(67,273,298)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(227,261,541)	246,231,299
Series F	1,460,800	740,884
Series T	962,841	372,222
	<u>(224,837,900)</u>	<u>247,344,405</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,289,847,903	3,517,109,444
Series F	5,114,326	3,653,526
Series T	1,643,676	680,835
	<u>3,296,605,905</u>	<u>3,521,443,805</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(127,462,842)	314,642,924
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(123,209,018)	(81,805,061)
Change in unrealized (gain) loss on non-derivative financial assets	244,227,728	(246,702,154)
Other non-cash transactions	(74,945,911)	(64,755,456)
Purchases of non-derivative financial assets and liabilities	(88,391,093)	(114,910,774)
Proceeds from sale of non-derivative financial assets and liabilities	263,219,707	258,165,055
Accrued investment income and other	7,550	(4,040)
Accrued expenses and other payables	–	(216,825)
Net cash provided by (used in) operating activities	<u>93,446,121</u>	<u>64,413,669</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	358,923,884	345,851,287
Amounts paid on redemption of redeemable units	(456,447,055)	(411,914,282)
Distributions to unitholders of redeemable units	(23,064)	(99,889)
Net cash provided by (used in) financing activities	(97,546,235)	(66,162,884)
Net increase (decrease) in cash	(4,100,114)	(1,749,215)
Cash (bank overdraft), beginning of period	4,420,755	6,169,970
CASH (BANK OVERDRAFT), END OF PERIOD	<u>320,641</u>	<u>4,420,755</u>
Interest paid ⁽¹⁾	29	–
Interest received, net of withholding taxes ⁽¹⁾	92,505	58,958

⁽¹⁾ Classified as operating items.

Scotia Partners Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 32.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	12,022,318	159,686,257	240,171,057
Dynamic Small Business Fund Series O†	9,861,276	162,830,959	159,752,678
Dynamic Value Fund of Canada Series O†	15,400,276	154,804,324	162,780,914
Scotia Canadian Dividend Fund Series I†	4,554,261	197,754,853	271,285,506
Scotia Private Canadian All Cap Equity Pool Series I†	13,127,827	131,873,990	119,341,134
Scotia Private Fundamental Canadian Equity Pool Series I†	10,982,539	109,663,102	104,040,882
		<u>916,613,485</u>	<u>1,057,372,171</u>
FIXED INCOME FUNDS – 23.9%			
Dynamic Total Return Bond Fund Series O†	13,554,149	130,412,305	129,848,745
PIMCO Monthly Income Fund (Canada) Series I	9,348,011	136,194,057	129,675,604
Scotia Canadian Income Fund Series I†	23,278,496	312,778,413	309,229,214
Scotia Private Canadian Corporate Bond Pool Series I†	20,704,749	219,710,540	217,611,052
		<u>799,095,315</u>	<u>786,364,615</u>
FOREIGN EQUITY FUNDS – 44.0%			
Dynamic Global Equity Fund Series O†	14,540,420	169,766,619	215,634,430
Dynamic Global Infrastructure Fund Series O†	3,360,966	60,996,554	64,362,490
Invesco Global Endeavour Fund Series I	2,140,996	44,277,586	81,355,694
Invesco International Growth Fund Series I	15,859,506	112,447,077	137,311,600
Mackenzie Emerging Markets Class Series O	1,681,017	46,517,044	50,661,470
Mackenzie Emerging Markets Fund Series O	7,431,937	69,256,955	61,944,451
Mackenzie US Mid Cap Growth Class Series O	2,969,339	70,921,123	146,046,344
Mawer International Equity Fund Class O	3,863,195	174,304,833	208,135,836
Mawer U.S. Equity Fund Series O	4,294,738	122,743,000	201,231,672
Scotia Global Growth Fund Series I†	2,570,888	137,819,748	199,150,533
Scotia Private Global Credit Pool Series I†	9,182,097	90,991,738	85,582,650
		<u>1,100,042,277</u>	<u>1,451,417,170</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,815,751,077</u></u>	<u><u>3,295,153,956</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>1,451,949</u>
NET ASSETS – 100.0%			<u><u>3,296,605,905</u></u>

† Investment in related party (note 10)

Scotia Partners Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$329,515,396 (December 31, 2017 – \$351,467,037). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	32.1	33.2
Fixed Income Funds	23.9	21.8
Foreign Equity Funds	44.0	44.8

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	3,295,153,956	–	–	3,295,153,956
	3,295,153,956	–	–	3,295,153,956

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Partners Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Mackenzie Emerging Markets Fund Series O	61,944,451	60.3
Mackenzie US Mid Cap Growth Class Series O	146,046,344	52.0
Scotia Private Fundamental Canadian Equity Pool Series I	104,040,882	40.5
Invesco International Growth Fund Series I	137,311,600	34.2
Dynamic Global Equity Fund Series O	215,634,430	25.9
Scotia Private Global Credit Pool Series I	85,582,650	21.1
Scotia Private Canadian All Cap Equity Pool Series I	119,341,134	18.8
Scotia Global Growth Fund Series I	199,150,533	18.4
Mackenzie Emerging Markets Class Series O	50,661,470	16.1
Dynamic Small Business Fund Series O	159,752,678	13.7
Dynamic Value Fund of Canada Series O	162,780,914	12.3
Mawer U.S. Equity Fund Series O	201,231,672	7.3
CI Cambridge Canadian Equity Corporate Class, Class I	240,171,057	5.5
Dynamic Global Infrastructure Fund Series O	64,362,490	5.5
Invesco Global Endeavour Fund Series I	81,355,694	5.1
Scotia Canadian Income Fund Series I	309,229,214	4.9
Mawer International Equity Fund Class O	208,135,836	4.3
Scotia Private Canadian Corporate Bond Pool Series I	217,611,052	4.2
Dynamic Total Return Bond Fund Series O	129,848,745	3.9
Scotia Canadian Dividend Fund Series I	271,285,506	3.0
PIMCO Monthly Income Fund (Canada) Series I	129,675,604	0.8
	3,295,153,956	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	115,229,026	40.8
Scotia Private Canadian All Cap Equity Pool Series I	143,865,092	36.8
Invesco International Growth Fund Series I	149,660,056	33.1
Dynamic Global Equity Fund Series O	231,478,513	26.2
Scotia Global Growth Fund Series I	222,566,028	20.9
Scotia Private Global Credit Pool Series I	87,221,067	20.6
Dynamic Small Business Fund Series O	179,526,712	15.8
Mackenzie Emerging Markets Class Series O	134,533,307	12.8
Dynamic Value Fund of Canada Series O	170,839,466	10.9
Mawer U.S. Equity Fund Class O	211,113,138	8.1
Mackenzie US Mid Cap Growth Class Series O	159,650,143	8.0
Dynamic Global Infrastructure Fund Series O	68,462,344	5.8
Trimark Global Endeavour Fund Series I	89,361,283	5.4
CI Cambridge Canadian Equity Corporate Class, Class I	260,525,101	5.2
Scotia Canadian Income Fund Series I	297,542,782	4.9
Dynamic 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	

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

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

Scotia Partners Maximum Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	890,877,623	936,486,892
Cash	1,162,312	1,935,226
Receivable for securities sold	—	261,000
Subscriptions receivable	369,001	774,713
Accrued investment income and other	1,638	1,892
	<u>892,410,574</u>	<u>939,459,723</u>
LIABILITIES		
Current liabilities		
Redemptions payable	772,814	714,378
Distributions payable	419	156
	<u>773,233</u>	<u>714,534</u>
Net assets attributable to holders of redeemable units	<u>891,637,341</u>	<u>938,745,189</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	890,542,148	937,384,237
Series F	831,640	1,173,042
Series T	263,553	187,910
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	23.69	24.90
Series F	26.78	27.85
Series T	15.47	16.94

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	14,372,071	12,136,418
Interest for distribution purposes	3,324,150	2,561,989
Net realized gain (loss) on non-derivative financial assets	32,216,686	20,847,574
Change in unrealized gain (loss) on non-derivative financial assets	(71,931,245)	79,245,033
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(22,018,338)	114,791,014
Other income	9,132	9,962
Total income (loss), net	<u>(22,009,206)</u>	<u>114,800,976</u>
EXPENSES		
Management fees (note 5)	20,570,273	19,209,891
Fixed administration fees (note 6)	478,622	446,006
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	606,556	714,843
Harmonized Sales Tax/Goods and Services Tax	2,107,093	1,967,987
Total expenses	<u>23,763,793</u>	<u>22,339,862</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(45,772,999)</u>	<u>92,461,114</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(45,722,722)	92,336,921
Series F	(35,931)	106,506
Series T	(14,346)	17,687
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.21)	2.45
Series F	(0.98)	2.80
Series T	(0.97)	1.60
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	37,922,886	37,648,052
Series F	36,780	38,003
Series T	14,774	11,040

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

Scotia Partners Maximum Growth Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	937,384,237	841,779,584
Series F	1,173,042	738,966
Series T	187,910	120,577
	<u>938,745,189</u>	<u>842,639,127</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(45,722,722)	92,336,921
Series F	(35,931)	106,506
Series T	(14,346)	17,687
	<u>(45,772,999)</u>	<u>92,461,114</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From return of capital		
Series T	(11,261)	(8,396)
	<u>(11,261)</u>	<u>(8,396)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	130,511,207	118,574,944
Series F	479,584	835,766
Series T	173,230	103,392
Reinvested distributions		
Series A	—	(295)
Series T	8,156	5,185
Payments on redemption		
Series A	(131,630,574)	(115,306,917)
Series F	(785,055)	(508,196)
Series T	(80,136)	(50,535)
	<u>(1,323,588)</u>	<u>3,653,344</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(46,842,089)	95,604,653
Series F	(341,402)	434,076
Series T	75,643	67,333
	<u>(47,107,848)</u>	<u>96,106,062</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	890,542,148	937,384,237
Series F	831,640	1,173,042
Series T	263,553	187,910
	<u>891,637,341</u>	<u>938,745,189</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(45,772,999)	92,461,114
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(32,216,686)	(20,847,574)
Change in unrealized (gain) loss on non-derivative financial assets	71,931,245	(79,245,033)
Other non-cash transactions	(17,055,815)	(13,964,859)
Purchases of non-derivative financial assets and liabilities	(36,889,639)	(39,619,288)
Proceeds from sale of non-derivative financial assets and liabilities	60,101,163	56,877,608
Accrued investment income and other	254	251
Accrued expenses and other payables	—	(60,909)
Net cash provided by (used in) operating activities	<u>97,523</u>	<u>(4,398,690)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	131,175,805	118,906,546
Amounts paid on redemption of redeemable units	(132,043,400)	(115,275,401)
Distributions to unitholders of redeemable units	(2,842)	(10,175)
Net cash provided by (used in) financing activities	<u>(870,437)</u>	<u>3,620,970</u>
Net increase (decrease) in cash	(772,914)	(777,720)
Cash (bank overdraft), beginning of period	1,935,226	2,712,946
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,162,312</u>	<u>1,935,226</u>
Interest received, net of withholding taxes ⁽¹⁾	34,105	18,956

⁽¹⁾ Classified as operating items.

Scotia Partners Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 39.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	5,293,439	78,487,976	105,747,562
Dynamic Small Business Fund Series O [†]	3,140,263	52,108,282	50,872,257
Dynamic Value Fund of Canada Series O [†]	5,073,965	52,341,641	53,631,811
Scotia Canadian Dividend Fund Series I [†]	897,670	40,300,965	53,471,879
Scotia Private Canadian All Cap Equity Pool Series I [†]	5,444,971	55,039,919	49,498,594
Scotia Private Fundamental Canadian Equity Pool Series I [†]	3,707,872	37,241,660	35,125,786
		<u>315,520,443</u>	<u>348,347,889</u>
FIXED INCOME FUNDS – 7.9%			
Scotia Canadian Income Fund Series I [†]	3,557,362	47,935,191	47,255,638
Scotia Private Canadian Corporate Bond Pool Series I [†]	2,187,378	23,611,018	22,989,784
		<u>71,546,209</u>	<u>70,245,422</u>
FOREIGN EQUITY FUNDS – 53.0%			
Dynamic Global Equity Fund Series O [†]	4,600,185	52,841,419	68,220,748
Dynamic Global Infrastructure Fund Series O [†]	1,169,308	20,961,112	22,392,240
Invesco Global Endeavour Fund Series I	708,343	15,769,251	26,916,338
Invesco International Growth Fund Series I	5,186,528	38,113,630	44,904,958
Mackenzie Emerging Markets Class Series O	598,924	16,815,017	18,050,008
Mackenzie Emerging Markets Fund Series O	2,349,539	22,080,477	19,583,170
Mackenzie US Mid Cap Growth Class Series O	967,908	26,057,023	47,606,346
Mawer International Equity Fund Class O	1,276,422	58,541,303	68,769,255
Mawer U.S. Equity Fund Series O	1,404,810	40,991,084	65,822,952
Scotia Global Growth Fund Series I [†]	865,444	48,361,126	67,040,468
Scotia Private Global Credit Pool Series I [†]	2,465,274	24,394,699	22,977,829
		<u>364,926,141</u>	<u>472,284,312</u>
TOTAL INVESTMENT PORTFOLIO		<u>751,992,793</u>	<u>890,877,623</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>759,718</u>
NET ASSETS – 100.0%			<u>891,637,341</u>

[†] Investment in related party (note 10)

Scotia Partners Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$89,087,762 (December 31, 2017 – \$93,648,689). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	39.1	39.7
Fixed Income Funds	7.9	7.2
Foreign Equity Funds	53.0	52.9

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	890,877,623	–	–	890,877,623
	890,877,623	–	–	890,877,623

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	936,486,892	–	–	936,486,892
	936,486,892	–	–	936,486,892

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Partners Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Mackenzie Emerging Markets Fund Series O	19,583,170	19.0
Mackenzie US Mid Cap Growth Class Series O	47,606,346	17.0
Scotia Private Fundamental Canadian Equity Pool Series I	35,125,786	13.7
Invesco International Growth Fund Series I	44,904,958	11.2
Dynamic Global Equity Fund Series O	68,220,748	8.2
Scotia Private Canadian All Cap Equity Pool Series I	49,498,594	7.8
Scotia Global Growth Fund Series I	67,040,468	6.2
Mackenzie Emerging Markets Class Series O	18,050,008	5.7
Scotia Private Global Credit Pool Series I	22,977,829	5.7
Dynamic Small Business Fund Series O	50,872,257	4.4
Dynamic Value Fund of Canada Series O	53,631,811	4.0
CI Cambridge Canadian Equity Corporate Class, Class I	105,747,562	2.4
Mawer U.S. Equity Fund Series O	65,822,952	2.4
Dynamic Global Infrastructure Fund Series O	22,392,240	1.9
Invesco Global Endeavour Fund Series I	26,916,338	1.7
Mawer International Equity Fund Class O	68,769,255	1.4
Scotia Canadian Income Fund Series I	47,255,638	0.8
Scotia Canadian Dividend Fund Series I	53,471,879	0.6
Scotia Private Canadian Corporate Bond Pool Series I	22,989,784	0.4
	890,877,623	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	57,554,152	14.7
Scotia Private Fundamental Canadian Equity Pool Series I	37,607,264	13.3
Invesco International Growth Fund Series I	47,267,784	10.4
Dynamic Global Equity Fund Series O	71,664,857	8.1
Scotia Global Growth Fund Series I	71,367,653	6.7
Scotia Private Global Credit Pool Series I	23,220,930	5.5
Dynamic Small Business Fund Series O	56,059,535	4.9
Mackenzie Emerging Markets Class Series O	43,268,378	4.1
Dynamic Value Fund of Canada Series O	54,326,906	3.5
Mawer U.S. Equity Fund Class O	68,337,771	2.6
Mackenzie US Mid Cap Growth Class Series O	48,599,167	2.4
CI Cambridge Canadian Equity Corporate Class, Class I	109,099,277	2.2
Dynamic Global Infrastructure Fund Series O	22,904,692	1.9
Trimark Global Endeavour Fund Series I	28,817,621	1.7
Mawer International Equity Fund Class O	71,546,157	1.5
Scotia Canadian Income Fund Series I	45,024,594	0.7
Scotia Canadian Dividend Fund Series I	57,573,751	0.6
Scotia Private Canadian Corporate Bond Pool Series I	22,246,403	0.4
	936,486,892	

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

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

Scotia INNOVA Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,575,860,427	1,873,804,756
Cash	170,824	191,291
Receivable for securities sold	1,500,000	3,775,250
Subscriptions receivable	610,679	400,610
Accrued investment income and other	1,490	1,266
	<u>1,578,143,420</u>	<u>1,878,173,173</u>
LIABILITIES		
Current liabilities		
Redemptions payable	2,062,392	2,721,376
Distributions payable	908,385	782,515
	<u>2,970,777</u>	<u>3,503,891</u>
Net assets attributable to holders of redeemable units	<u>1,575,172,643</u>	<u>1,874,669,282</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	1,354,929,278	1,614,302,633
Series T	<u>220,243,365</u>	<u>260,366,649</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	12.71	13.19
Series T	<u>15.57</u>	<u>16.18</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	13,186,559	15,190,981
Interest for distribution purposes	39,138,702	39,082,117
Net realized gain (loss) on non-derivative financial assets	39,936,966	30,288,223
Change in unrealized gain (loss) on non-derivative financial assets	(73,900,126)	4,537,685
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	18,362,101	89,099,006
Other income	13,506	19,658
Total income (loss), net	<u>18,375,607</u>	<u>89,118,664</u>
EXPENSES		
Management fees (note 5)	27,708,129	30,939,552
Fixed administration fees (note 6)	519,527	580,117
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	3,015	117
Foreign withholding taxes/tax reclaims	345,702	217,291
Other fund costs	236,264	268,184
Harmonized Sales Tax/Goods and Services Tax	3,052,301	3,393,371
Total expenses	<u>31,866,187</u>	<u>35,399,767</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(13,490,580)</u>	<u>53,718,897</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(11,611,199)	45,953,443
Series T	<u>(1,879,381)</u>	<u>7,765,454</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.10)	0.36
Series T	<u>(0.12)</u>	<u>0.46</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	112,641,411	126,031,591
Series T	<u>15,164,284</u>	<u>17,023,339</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	1,614,302,633	1,704,394,906
Series T	260,366,649	290,405,609
	<u>1,874,669,282</u>	<u>1,994,800,515</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(11,611,199)	45,953,443
Series T	(1,879,381)	7,765,454
	<u>(13,490,580)</u>	<u>53,718,897</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(16,792,041)	(15,437,758)
Series T	(2,736,421)	(2,380,704)
From net realized gains on investments		
Series A	(21,980,692)	(5,481,607)
Series T	(3,568,118)	(887,162)
From return of capital		
Series T	(1,096,765)	(5,042,290)
	<u>(46,174,037)</u>	<u>(29,229,521)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	117,571,929	175,961,913
Series T	21,027,185	30,135,155
Reinvested distributions		
Series A	38,197,881	20,527,341
Series T	3,020,620	3,302,479
Payments on redemption		
Series A	(364,759,233)	(311,615,605)
Series T	(54,890,404)	(62,931,892)
	<u>(239,832,022)</u>	<u>(144,620,609)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(259,373,355)	(90,092,273)
Series T	(40,123,284)	(30,038,960)
	<u>(299,496,639)</u>	<u>(120,131,233)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	1,354,929,278	1,614,302,633
Series T	<u>220,243,365</u>	<u>260,366,649</u>
	<u>1,575,172,643</u>	<u>1,874,669,282</u>

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

Scotia INNOVA Income Portfolio (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(13,490,580)	53,718,897
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(39,936,966)	(30,288,223)
Change in unrealized (gain) loss on non-derivative financial assets	73,900,126	(4,537,685)
Other non-cash transactions	(51,955,557)	(54,031,898)
Purchases of non-derivative financial assets and liabilities	(328,207,845)	(231,816)
Proceeds from sale of non-derivative financial assets and liabilities	646,419,820	202,947,488
Accrued investment income and other	(224)	1,515
Accrued expenses and other payables	—	(98,686)
Net cash provided by (used in) operating activities	286,728,774	167,479,592
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	136,574,133	203,841,610
Amounts paid on redemption of redeemable units	(418,493,708)	(371,347,959)
Distributions to unitholders of redeemable units	(4,829,666)	(5,518,865)
Net cash provided by (used in) financing activities	(286,749,241)	(173,025,214)
Net increase (decrease) in cash	(20,467)	(5,545,622)
Cash (bank overdraft), beginning of period	191,291	5,736,913
CASH (BANK OVERDRAFT), END OF PERIOD	170,824	191,291
Interest paid ⁽¹⁾	3,015	117
Interest received, net of withholding taxes ⁽¹⁾	23,778	25,425

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 9.6%			
1832 AM Canadian Dividend LP Series I [†]	5,475,341	56,446,617	53,061,533
Scotia Canadian Dividend Fund Series I [†]	1,141,051	47,515,957	67,969,434
Scotia Private Canadian All Cap Equity Pool Series I [†]	1,656,464	16,497,103	15,058,414
Scotia Private Canadian Small Cap Pool Series I [†]	468,959	13,069,901	15,214,353
		133,529,578	151,303,734
FIXED INCOME FUNDS – 75.8%			
Scotia Canadian Income Fund Series I [†]	18,138,298	243,929,602	240,947,330
Scotia Private Floating Rate Income Pool Series I [†]	23,955,291	238,300,242	233,990,495
Scotia Private American Core-Plus Bond Pool Series I [†]	6,559,456	60,649,805	59,481,148
Scotia Private Canadian Corporate Bond Pool Series I [†]	17,094,126	182,985,021	179,662,682
Scotia Private Short-Mid Government Bond Pool Series I [†]	23,392,756	243,356,738	240,250,623
Scotia Total Return Bond LP Series I [†]	19,425,924	235,940,151	240,236,521
		1,205,161,559	1,194,568,799
FOREIGN EQUITY FUNDS – 14.6%			
1832 AM Global Completion LP Series I [†]	1,823,140	23,483,616	26,609,274
Scotia Global Low Volatility Equity LP Series I [†]	2,835,296	45,693,736	46,298,119
Scotia Private Diversified International Equity Pool Series I [†]	3,314,646	32,255,589	30,930,952
Scotia Private International Equity Pool Series I [†]	3,760,725	42,712,478	45,826,318
Scotia Private Options Income Pool Series I [†]	3,723,404	37,281,143	34,706,962
Scotia U.S. Low Volatility Equity LP Series I [†]	2,813,162	47,315,106	45,616,269
		228,741,668	229,987,894
TOTAL INVESTMENT PORTFOLIO		1,567,432,805	1,575,860,427
OTHER ASSETS, LESS LIABILITIES – 0.0%			(687,784)
NET ASSETS – 100.0%			1,575,172,643

[†] Investment in related party (note 10)

Scotia INNOVA Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 100.0%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$157,586,043 (December 31, 2017 – \$187,380,476). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	9.6	9.9
Fixed Income Funds	75.8	75.2
Foreign Equity Funds	14.6	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, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,575,860,427	–	–	1,575,860,427
	1,575,860,427	–	–	1,575,860,427

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Short-Mid Government Bond Pool Series I	240,250,623	19.6
Scotia Total Return Bond LP Series I	240,236,521	19.1
Scotia Private Floating Rate Income Pool Series I	233,990,495	15.7
1832 AM Canadian Dividend LP Series I	53,061,533	8.8
Scotia Private Diversified International Equity Pool Series I	30,930,952	8.7
Scotia Private American Core-Plus Bond Pool Series I	59,481,148	8.4
Scotia U.S. Low Volatility Equity LP Series I	45,616,269	6.7
Scotia Global Low Volatility Equity LP Series I	46,298,119	6.4
1832 AM Global Completion LP Series I	26,609,274	4.8
Scotia Private International Equity Pool Series I	45,826,318	4.8
Scotia Private Options Income Pool Series I	34,706,962	4.6
Scotia Canadian Income Fund Series I	240,947,330	3.8
Scotia Private Canadian Corporate Bond Pool Series I	179,662,682	3.4
Scotia Private Canadian Small Cap Pool Series I	15,214,353	2.6
Scotia Private Canadian All Cap Equity Pool Series I	15,058,414	2.4
Scotia Canadian Dividend Fund Series I	67,969,434	0.7
	1,575,860,427	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia 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 Private Floating Rate Income Pool 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	

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

Scotia INNOVA Balanced Income Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,501,350,160	2,871,066,602
Cash	—	3,128,142
Receivable for securities sold	2,026,000	1,534,250
Subscriptions receivable	716,949	1,996,597
Accrued investment income and other	1,890	2,338
	<u>2,504,094,999</u>	<u>2,877,727,929</u>
LIABILITIES		
Current liabilities		
Bank overdraft	129,994	—
Redemptions payable	2,168,266	2,261,390
Distributions payable	1,670,991	1,167,628
	<u>3,969,251</u>	<u>3,429,018</u>
Net assets attributable to holders of redeemable units	<u>2,500,125,748</u>	<u>2,874,298,911</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,176,013,742	2,492,776,440
Series T	324,112,006	381,522,471
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	13.80	14.59
Series T	15.08	16.09

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	29,406,130	33,285,679
Interest for distribution purposes	51,943,738	46,867,714
Net realized gain (loss) on non-derivative financial assets	100,661,620	40,654,222
Change in unrealized gain (loss) on non-derivative financial assets	(172,068,417)	45,024,169
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	9,943,071	165,831,784
Other income	14,375	28,679
Total income (loss), net	<u>9,957,446</u>	<u>165,860,463</u>
EXPENSES		
Management fees (note 5)	46,187,950	48,943,609
Fixed administration fees (note 6)	815,081	863,711
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,450	934
Foreign withholding taxes/tax reclaims	811,311	644,786
Other fund costs	492,418	594,525
Harmonized Sales Tax/Goods and Services Tax	5,112,092	5,397,850
Total expenses	<u>53,421,551</u>	<u>56,446,550</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(43,464,105)</u>	<u>109,413,913</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(35,436,685)	91,987,619
Series T	(8,027,420)	17,426,294
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.22)	0.53
Series T	(0.36)	0.70
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	161,314,911	172,114,567
Series T	22,483,870	25,071,438

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,492,776,440	2,432,646,292
Series T	381,522,471	404,459,613
	<u>2,874,298,911</u>	<u>2,837,105,905</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(35,436,685)	91,987,619
Series T	(8,027,420)	17,426,294
	<u>(43,464,105)</u>	<u>109,413,913</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(22,534,450)	(18,839,298)
Series T	(3,324,821)	(2,424,462)
From net realized gains on investments		
Series A	(62,237,962)	—
Series T	(9,281,325)	—
From return of capital		
Series T	(1,960,543)	(13,797,534)
	<u>(99,339,101)</u>	<u>(35,061,294)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	218,336,698	376,238,870
Series T	30,430,569	65,179,648
Reinvested distributions		
Series A	83,919,123	18,587,175
Series T	4,220,537	5,015,555
Payments on redemption		
Series A	(498,809,422)	(407,844,218)
Series T	(69,467,462)	(94,336,643)
	<u>(231,369,957)</u>	<u>(37,159,613)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(316,762,698)	60,130,148
Series T	(57,410,465)	(22,937,142)
	<u>(374,173,163)</u>	<u>37,193,006</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,176,013,742	2,492,776,440
Series T	324,112,006	381,522,471
	<u>2,500,125,748</u>	<u>2,874,298,911</u>

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

Scotia INNOVA Balanced Income Portfolio (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(43,464,105)	109,413,913
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(100,661,620)	(40,654,222)
Change in unrealized (gain) loss on non-derivative financial assets	172,068,417	(45,024,169)
Other non-cash transactions	(80,495,969)	(79,457,713)
Purchases of non-derivative financial assets and liabilities	(403,992,987)	(32,002,927)
Proceeds from sale of non-derivative financial assets and liabilities	782,306,851	150,680,024
Accrued investment income and other	448	3,197
Accrued expenses and other payables	—	(149,031)
Net cash provided by (used in) operating activities	325,761,035	62,809,072
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	247,065,732	438,211,159
Amounts paid on redemption of redeemable units	(565,388,825)	(499,016,056)
Distributions to unitholders of redeemable units	(10,696,078)	(11,556,549)
Net cash provided by (used in) financing activities	(329,019,171)	(72,361,446)
Net increase (decrease) in cash	(3,258,136)	(9,552,374)
Cash (bank overdraft), beginning of period	3,128,142	12,680,516
CASH (BANK OVERDRAFT), END OF PERIOD	(129,994)	3,128,142
Interest paid ⁽¹⁾	1,450	934
Interest received, net of withholding taxes ⁽¹⁾	43,036	54,091

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 14.5%			
1832 AM Canadian Dividend LP Series I [†]	7,345,747	75,621,433	71,187,633
Scotia Canadian Dividend Fund Series I [†]	2,751,837	120,376,590	163,919,785
Scotia Private Canadian All Cap Equity Pool Series I [†]	3,915,233	39,081,384	35,592,208
Scotia Private Canadian Small Cap Pool Series I [†]	1,679,575	48,176,965	54,490,112
Scotia Private International Growth Equity Pool Series I [†]	3,815,788	38,157,442	37,497,362
		<u>321,413,814</u>	<u>362,687,100</u>
FIXED INCOME FUNDS – 63.1%			
1832 AM North American Preferred Share LP Series I [†]	3,501,719	43,525,848	39,526,358
Scotia Canadian Income Fund Series I [†]	29,560,168	398,009,351	392,674,316
Scotia Private Floating Rate Income Pool Series I [†]	22,750,127	226,540,068	222,218,689
Scotia Private American Core-Plus Bond Pool Series I [†]	8,401,907	77,831,364	76,188,495
Scotia Private Canadian Corporate Bond Pool Series I [†]	21,934,827	236,385,825	230,539,420
Scotia Private High Yield Income Pool Series I [†]	9,007,114	83,825,885	74,086,212
Scotia Private Short-Mid Government Bond Pool Series I [†]	22,592,165	236,166,921	232,028,315
Scotia Total Return Bond LP Series I [†]	25,108,729	307,312,547	310,514,625
		<u>1,609,597,809</u>	<u>1,577,776,430</u>
FOREIGN EQUITY FUNDS – 22.4%			
1832 AM Global Completion LP Series I [†]	4,975,048	66,213,757	72,612,322
Scotia Global Low Volatility Equity LP Series I [†]	5,660,072	91,195,096	92,424,443
Scotia Private Diversified International Equity Pool Series I [†]	6,615,098	64,373,046	61,729,447
Scotia Private Global Equity Pool Series I [†]	665,584	19,492,382	17,430,636
Scotia Private Global Real Estate Pool Series I [†]	1,659,503	31,072,434	30,093,762
Scotia Private International Equity Pool Series I [†]	7,519,649	82,143,305	91,630,686
Scotia Private Options Income Pool Series I [†]	6,568,191	65,577,214	61,224,079
Scotia U.S. Dividend Growers LP Series I [†]	2,596,017	44,967,257	47,816,042
Scotia U.S. Low Volatility Equity LP Series I [†]	5,299,021	89,512,516	85,925,213
		<u>554,547,007</u>	<u>560,886,630</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,485,558,630</u></u>	<u><u>2,501,350,160</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>(1,224,412)</u>
NET ASSETS – 100.0%			<u><u>2,500,125,748</u></u>

[†] Investment in related party (note 10)

Scotia INNOVA Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 99.9%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$250,135,016 (December 31, 2017 – \$287,106,660). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	14.5	15.0
Fixed Income Funds	63.1	59.9
Foreign Equity Funds	22.4	25.0

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,501,350,160	–	–	2,501,350,160
	2,501,350,160	–	–	2,501,350,160

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Balanced Income Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	310,514,625	24.6
Scotia Private Short-Mid Government Bond Pool Series I	232,028,315	18.9
Scotia Private International Growth Equity Pool Series I	37,497,362	18.6
Scotia Private Diversified International Equity Pool Series I	61,729,447	17.4
1832 AM North American Preferred Share LP Series I	39,526,358	17.1
Scotia Private Floating Rate Income Pool Series I	222,218,689	14.9
1832 AM Global Completion LP Series I	72,612,322	13.1
Scotia Global Low Volatility Equity LP Series I	92,424,443	12.8
Scotia U.S. Low Volatility Equity LP Series I	85,925,213	12.6
1832 AM Canadian Dividend LP Series I	71,187,633	11.8
Scotia Private American Core-Plus Bond Pool Series I	76,188,495	10.8
Scotia Private High Yield Income Pool Series I	74,086,212	9.7
Scotia Private International Equity Pool Series I	91,630,686	9.6
Scotia Private Canadian Small Cap Pool Series I	54,490,112	9.2
Scotia Private Global Real Estate Pool Series I	30,093,762	9.1
Scotia U.S. Dividend Growers LP Series I	47,816,042	8.4
Scotia Private Options Income Pool Series I	61,224,079	8.1
Scotia Canadian Income Fund Series I	392,674,316	6.2
Scotia Private Canadian All Cap Equity Pool Series I	35,592,208	5.6
Scotia Private Canadian Corporate Bond Pool Series I	230,539,420	4.4
Scotia Private Global Equity Pool Series I	17,430,636	3.9
Scotia Canadian Dividend Fund Series I	163,919,785	1.8
	2,501,350,160	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Total Return Bond LP Series I	265,873,066	25.9
1832 AM North American Preferred Share LP Series I	57,370,454	21.1
Scotia Private Short-Mid Government Bond Pool Series I	171,014,404	20.8
Scotia Private American Core-Plus Bond Pool Series I	172,787,000	20.0
Scotia Global Low Volatility Equity LP Series I	187,659,944	18.0
1832 AM Global Completion LP Series I	78,838,206	16.7
Scotia Private Floating Rate Income Pool 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	

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

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

Scotia INNOVA Balanced Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,495,869,717	3,814,368,186
Cash	3,616,798	3,257,458
Receivable for securities sold	–	3,439,600
Subscriptions receivable	1,286,815	2,308,097
Accrued investment income and other	3,113	5,888
	<u>3,500,776,443</u>	<u>3,823,379,229</u>
LIABILITIES		
Current liabilities		
Redemptions payable	2,137,321	3,203,203
Distributions payable	1,467,820	1,081,999
	<u>3,605,141</u>	<u>4,285,202</u>
Net assets attributable to holders of redeemable units	<u>3,497,171,302</u>	<u>3,819,094,027</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	3,195,642,928	3,481,422,937
Series T	<u>301,528,374</u>	<u>337,671,090</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	15.07	16.24
Series T	<u>14.54</u>	<u>15.87</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	58,181,133	60,588,249
Interest for distribution purposes	51,233,506	42,606,627
Net realized gain (loss) on non-derivative financial assets	177,645,461	64,084,303
Change in unrealized gain (loss) on non-derivative financial assets	<u>(321,945,947)</u>	<u>123,479,848</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(34,885,847)</u>	<u>290,759,027</u>
Other income	21,280	24,273
Total income (loss), net	<u>(34,864,567)</u>	<u>290,783,300</u>
EXPENSES		
Management fees (note 5)	67,513,990	66,585,212
Fixed administration fees (note 6)	1,125,233	1,109,754
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	1,932,681	1,953,607
Other fund costs	937,964	966,087
Harmonized Sales Tax/Goods and Services Tax	7,382,824	7,303,150
Total expenses	<u>78,893,941</u>	<u>77,918,945</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(113,758,508)</u>	<u>212,864,355</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(102,329,198)	192,379,946
Series T	<u>(11,429,310)</u>	<u>20,484,409</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.49)	0.90
Series T	<u>(0.54)</u>	<u>0.97</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	209,662,613	212,851,615
Series T	<u>21,171,347</u>	<u>21,122,913</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	3,481,422,937	3,240,284,874
Series T	<u>337,671,090</u>	<u>331,722,417</u>
	<u>3,819,094,027</u>	<u>3,572,007,291</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(102,329,198)	192,379,946
Series T	<u>(11,429,310)</u>	<u>20,484,409</u>
	<u>(113,758,508)</u>	<u>212,864,355</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(24,680,317)	(18,944,369)
Series T	<u>(2,332,818)</u>	<u>(1,660,638)</u>
From net realized gains on investments		
Series A	(110,212,568)	–
Series T	<u>(10,533,024)</u>	<u>–</u>
From return of capital		
Series T	<u>(4,002,105)</u>	<u>(15,184,160)</u>
	<u>(151,760,832)</u>	<u>(35,789,167)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	371,575,208	519,304,590
Series T	<u>47,684,690</u>	<u>60,191,925</u>
Reinvested distributions		
Series A	134,384,080	18,855,545
Series T	<u>5,011,914</u>	<u>4,786,326</u>
Payments on redemption		
Series A	(554,517,214)	(470,457,649)
Series T	<u>(60,542,063)</u>	<u>(62,669,189)</u>
	<u>(56,403,385)</u>	<u>70,011,548</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(285,780,009)	241,138,063
Series T	<u>(36,142,716)</u>	<u>5,948,673</u>
	<u>(321,922,725)</u>	<u>247,086,736</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	3,195,642,928	3,481,422,937
Series T	<u>301,528,374</u>	<u>337,671,090</u>
	<u>3,497,171,302</u>	<u>3,819,094,027</u>

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

Scotia INNOVA Balanced Growth Portfolio (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(113,758,508)	212,864,355
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(177,645,461)	(64,084,303)
Change in unrealized (gain) loss on non-derivative financial assets	321,945,947	(123,479,848)
Other non-cash transactions	(107,406,147)	(101,166,671)
Purchases of non-derivative financial assets and liabilities	(702,366,123)	(71,251,487)
Proceeds from sale of non-derivative financial assets and liabilities	987,409,854	100,269,609
Accrued investment income and other	2,775	633
Accrued expenses and other payables	—	(198,412)
Net cash provided by (used in) operating activities	<u>208,182,337</u>	<u>(47,046,124)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	418,155,332	577,054,030
Amounts paid on redemption of redeemable units	(613,999,312)	(530,076,395)
Distributions to unitholders of redeemable units	<u>(11,979,017)</u>	<u>(12,230,905)</u>
Net cash provided by (used in) financing activities	<u>(207,822,997)</u>	<u>34,746,730</u>
Net increase (decrease) in cash	359,340	(12,299,394)
Cash (bank overdraft), beginning of period	3,257,458	15,556,852
CASH (BANK OVERDRAFT), END OF PERIOD	<u><u>3,616,798</u></u>	<u><u>3,257,458</u></u>
Interest received, net of withholding taxes ⁽¹⁾	78,587	75,230

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 20.8%			
1832 AM Canadian Dividend LP Series I [†]	17,760,280	182,518,398	172,114,877
1832 AM Canadian Growth LP Series I [†]	7,091,960	70,504,362	66,751,653
Scotia Canadian Dividend Fund Series I [†]	4,589,396	211,929,238	273,378,380
Scotia Private Canadian All Cap Equity Pool Series I [†]	7,517,101	74,346,907	68,335,708
Scotia Private Canadian Small Cap Pool Series I [†]	3,191,941	91,210,982	103,555,519
Scotia Private International Growth Equity Pool Series I [†]	4,400,503	43,820,214	43,243,298
		<u>674,330,101</u>	<u>727,379,435</u>
FIXED INCOME FUNDS – 41.4%			
1832 AM North American Preferred Share LP Series I [†]	6,245,853	77,096,065	70,501,310
Scotia Canadian Income Fund Series I [†]	27,610,597	373,101,307	366,776,414
Scotia Private Floating Rate Income Pool Series I [†]	14,141,258	140,045,265	138,128,977
Scotia Private American Core-Plus Bond Pool Series I [†]	24,089,456	224,351,746	218,443,187
Scotia Private Canadian Corporate Bond Pool Series I [†]	20,884,723	226,004,550	219,502,620
Scotia Private High Yield Income Pool Series I [†]	8,595,168	79,974,694	70,697,837
Scotia Private Short-Mid Government Bond Pool Series I [†]	14,206,142	143,059,489	145,901,342
Scotia Total Return Bond LP Series I [†]	17,758,990	220,083,710	219,621,876
		<u>1,483,716,826</u>	<u>1,449,573,563</u>
FOREIGN EQUITY FUNDS – 37.7%			
1832 AM Global Completion LP Series I [†]	10,645,732	150,308,689	155,377,658
Scotia Global Low Volatility Equity LP Series I [†]	10,088,909	157,546,213	164,743,814
Scotia Private Diversified International Equity Pool Series I [†]	12,106,087	119,999,448	112,969,163
Scotia Private Emerging Markets Pool Series I [†]	6,768,017	66,886,880	70,135,605
Scotia Private Global Equity Pool Series I [†]	4,197,310	72,475,216	109,921,247
Scotia Private Global Real Estate Pool Series I [†]	3,749,862	64,736,349	68,000,742
Scotia Private International Equity Pool Series I [†]	14,234,804	167,816,789	173,458,207
Scotia Private Options Income Pool Series I [†]	14,943,392	149,344,712	139,291,839
Scotia U.S. Dividend Growers LP Series I [†]	7,718,475	133,363,412	142,166,594
Scotia U.S. Low Volatility Equity LP Series I [†]	11,276,501	190,661,629	182,851,850
		<u>1,273,139,337</u>	<u>1,318,916,719</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>3,431,186,264</u></u>	<u><u>3,495,869,717</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			1,301,585
NET ASSETS – 100.0%			<u><u>3,497,171,302</u></u>

[†] Investment in related party (note 10)

Scotia INNOVA Balanced Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.9%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$349,586,972 (December 31, 2017 – \$381,436,819). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	20.8	20.5
Fixed Income Funds	41.4	38.9
Foreign Equity Funds	37.7	40.5

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	3,495,869,717	–	–	3,495,869,717
	3,495,869,717	–	–	3,495,869,717

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Balanced Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018		December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Diversified International Equity Pool Series I	112,969,163	31.8	194,326,327	32.3
1832 AM Canadian Growth LP Series I	66,751,653	31.7	126,637,544	31.7
Scotia Private American Core-Plus Bond Pool Series I	218,443,187	31.0	311,007,634	31.1
1832 AM North American Preferred Share LP Series I	70,501,310	30.5	77,234,874	31.0
1832 AM Canadian Dividend LP Series I	172,114,877	28.6	78,321,571	28.7
1832 AM Global Completion LP Series I	155,377,658	28.1	225,385,353	26.0
Scotia U.S. Low Volatility Equity LP Series I	182,851,850	26.9	309,800,177	24.3
Scotia U.S. Dividend Growers LP Series I	142,166,594	25.0	250,698,764	24.1
Scotia Private Global Equity Pool Series I	109,921,247	24.8	106,718,968	22.6
Scotia Global Low Volatility Equity LP Series I	164,743,814	22.9	134,659,388	22.4
Scotia Private International Growth Equity Pool Series I	43,243,298	21.5	223,605,528	21.8
Scotia Private Global Real Estate Pool Series I	68,000,742	20.6	130,042,833	21.5
Scotia Private Options Income Pool Series I	139,291,839	18.4	160,691,650	19.9
Scotia Private International Equity Pool Series I	173,458,207	18.2	57,519,594	18.4
Scotia Private Emerging Markets Pool Series I	70,135,605	18.1	154,653,267	17.6
Scotia Private Canadian Small Cap Pool Series I	103,555,519	17.5	145,820,265	11.2
Scotia Total Return Bond LP Series I	219,621,876	17.4	37,750,435	10.7
Scotia Private Short-Mid Government Bond Pool Series I	145,901,342	11.9	414,687,066	6.9
Scotia Private Canadian All Cap Equity Pool Series I	68,335,708	10.8	75,232,975	5.8
Scotia Private Floating Rate Income Pool Series I	138,128,977	9.2	320,984,778	5.4
Scotia Private High Yield Income Pool Series I	70,697,837	9.2	278,589,195	2.9
Scotia Canadian Income Fund Series I	366,776,414	5.8		
Scotia Private Canadian Corporate Bond Pool Series I	219,502,620	4.2		
Scotia Canadian Dividend Fund Series I	273,378,380	3.0		
	3,495,869,717		3,814,368,186	

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

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

Scotia INNOVA Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	2,261,443,018	2,393,912,297
Cash	1,299,100	4,942,595
Receivable for securities sold	1,087,000	—
Subscriptions receivable	568,572	2,150,444
Accrued investment income and other	2,964	4,738
	<u>2,264,400,654</u>	<u>2,401,010,074</u>
LIABILITIES		
Current liabilities		
Redemptions payable	1,919,552	939,144
Accrued expenses	—	8
Distributions payable	204,864	27,170
	<u>2,124,416</u>	<u>966,322</u>
Net assets attributable to holders of redeemable units	<u>2,262,276,238</u>	<u>2,400,043,752</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	2,253,484,796	2,393,393,593
Series T	8,791,442	6,650,159
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	16.64	18.12
Series T	15.01	16.46

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	46,785,016	45,731,542
Interest for distribution purposes	21,439,201	17,317,956
Net realized gain (loss) on non-derivative financial assets	114,604,874	30,647,736
Change in unrealized gain (loss) on non-derivative financial assets	(234,113,391)	112,642,821
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(51,284,300)	206,340,055
Other income	22,231	18,214
Total income (loss), net	<u>(51,262,069)</u>	<u>206,358,269</u>
EXPENSES		
Management fees (note 5)	45,772,615	43,038,269
Fixed administration fees (note 6)	722,726	679,552
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	1,654,706	1,895,442
Other fund costs	743,693	677,009
Harmonized Sales Tax/Goods and Services Tax	4,727,941	4,441,529
Total expenses	<u>53,622,930</u>	<u>50,732,936</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(104,884,999)</u>	<u>155,625,333</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(104,439,647)	155,163,365
Series T	(445,352)	461,968
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(0.79)	1.20
Series T	(0.87)	1.29
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	131,926,320	128,999,448
Series T	510,759	358,674

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

Scotia INNOVA 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	2,393,393,593	2,110,520,289
Series T	6,650,159	4,647,954
	<u>2,400,043,752</u>	<u>2,115,168,243</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(104,439,647)	155,163,365
Series T	(445,352)	461,968
	<u>(104,884,999)</u>	<u>155,625,333</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(12,255,174)	(8,262,525)
Series T	(79,652)	(27,997)
From net realized gains on investments		
Series A	(77,065,765)	–
Series T	(306,263)	–
From return of capital		
Series T	–	(244,738)
	<u>(89,706,854)</u>	<u>(8,535,260)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	309,129,713	392,904,870
Series T	5,361,157	4,355,581
Reinvested distributions		
Series A	89,133,386	8,245,080
Series T	213,256	170,986
Payments on redemption		
Series A	(344,411,310)	(265,177,486)
Series T	(2,601,863)	(2,713,595)
	<u>56,824,339</u>	<u>137,785,436</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(139,908,797)	282,873,304
Series T	2,141,283	2,002,205
	<u>(137,767,514)</u>	<u>284,875,509</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	2,253,484,796	2,393,393,593
Series T	8,791,442	6,650,159
	<u>2,262,276,238</u>	<u>2,400,043,752</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(104,884,999)	155,625,333
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(114,604,874)	(30,647,736)
Change in unrealized (gain) loss on non-derivative financial assets	234,113,391	(112,642,821)
Other non-cash transactions	(66,502,635)	(61,094,210)
Purchases of non-derivative financial assets and liabilities	(409,822,317)	(112,289,691)
Proceeds from sale of non-derivative financial assets and liabilities	488,198,714	25,450,505
Accrued investment income and other	1,774	(481)
Accrued expenses and other payables	(8)	(123,110)
	<u>26,499,046</u>	<u>(135,722,211)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	315,491,220	398,403,479
Amounts paid on redemption of redeemable units	(345,451,243)	(268,295,390)
Distributions to unitholders of redeemable units	(182,518)	(129,803)
	<u>(30,142,541)</u>	<u>129,978,286</u>
Net cash provided by (used in) operating activities		
Net increase (decrease) in cash	(3,643,495)	(5,743,925)
Cash (bank overdraft), beginning of period	4,942,595	10,686,520
	<u>1,299,100</u>	<u>4,942,595</u>
CASH (BANK OVERDRAFT), END OF PERIOD		
Interest received, net of withholding taxes ⁽¹⁾	68,647	59,364
Dividends received, net of withholding taxes ⁽¹⁾	1	–

⁽¹⁾ Classified as operating items.

Scotia INNOVA Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 26.5%			
1832 AM Canadian Dividend LP Series I†	14,280,045	145,331,609	138,387,918
1832 AM Canadian Growth LP Series I†	8,641,324	85,782,117	81,334,734
Scotia Canadian Dividend Fund Series I†	2,810,733	130,202,691	167,428,069
Scotia Private Canadian All Cap Equity Pool Series I†	6,171,184	60,894,406	56,100,384
Scotia Private Canadian Small Cap Pool Series I†	3,415,675	101,404,510	110,814,063
Scotia Private International Growth Equity Pool Series I†	4,660,151	46,520,504	45,794,835
		<u>570,135,837</u>	<u>599,860,003</u>
FIXED INCOME FUNDS – 27.2%			
1832 AM North American Preferred Share LP Series I†	4,227,116	51,925,603	47,714,413
Scotia Canadian Income Fund Series I†	11,347,061	153,522,908	150,733,225
Scotia Private Floating Rate Income Pool Series I†	3,015,101	30,001,606	29,450,902
Scotia Private American Core-Plus Bond Pool Series I†	9,885,808	92,665,891	89,644,503
Scotia Private Canadian Corporate Bond Pool Series I†	8,525,868	92,742,995	89,608,579
Scotia Private High Yield Income Pool Series I†	7,222,861	67,587,540	59,410,203
Scotia Private Short-Mid Government Bond Pool Series I†	5,832,500	58,778,852	59,901,527
Scotia Total Return Bond LP Series I†	7,225,029	88,135,106	89,350,490
		<u>635,360,501</u>	<u>615,813,842</u>
FOREIGN EQUITY FUNDS – 46.2%			
1832 AM Global Completion LP Series I†	7,694,800	107,121,543	112,307,907
Scotia Global Low Volatility Equity LP Series I†	8,266,032	133,041,381	134,977,697
Scotia Private Diversified International Equity Pool Series I†	6,058,256	59,835,771	56,533,219
Scotia Private Emerging Markets Pool Series I†	7,630,837	73,565,300	79,076,835
Scotia Private Global Equity Pool Series I†	5,049,630	99,769,363	132,242,236
Scotia Private Global Real Estate Pool Series I†	3,044,911	52,228,287	55,217,028
Scotia Private International Equity Pool Series I†	11,178,367	134,998,378	136,213,985
Scotia Private Options Income Pool Series I†	6,024,844	60,264,055	56,159,374
Scotia U.S. Dividend Growers LP Series I†	7,998,062	145,032,555	147,316,313
Scotia U.S. Low Volatility Equity LP Series I†	8,370,155	143,328,942	135,724,579
		<u>1,009,185,575</u>	<u>1,045,769,173</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>2,214,681,913</u></u>	<u><u>2,261,443,018</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>833,220</u>
NET ASSETS – 100.0%			<u><u>2,262,276,238</u></u>

† Investment in related party (note 10)

Scotia INNOVA Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$226,144,302 (December 31, 2017 – \$239,391,230). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	26.5	25.2
Fixed Income Funds	27.2	24.1
Foreign Equity Funds	46.2	50.4

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,261,443,018	–	–	2,261,443,018
	2,261,443,018	–	–	2,261,443,018

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018		December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	81,334,734	38.6	87,080,476	35.0
Scotia Private Global Equity Pool Series I	132,242,236	29.8	125,490,876	31.4
Scotia U.S. Dividend Growers LP Series I	147,316,313	25.9	88,495,431	28.3
1832 AM Canadian Dividend LP Series I	138,387,918	23.0	166,851,367	27.7
Scotia Private International Growth Equity Pool Series I	45,794,835	22.8	81,208,399	23.1
1832 AM North American Preferred Share LP Series I	47,714,413	20.6	60,529,584	22.2
Scotia Private Emerging Markets Pool Series I	79,076,835	20.4	166,685,142	20.7
1832 AM Global Completion LP Series I	112,307,907	20.3	95,169,289	20.2
Scotia U.S. Low Volatility Equity LP Series I	135,724,579	19.9	121,101,341	20.1
Scotia Global Low Volatility Equity LP Series I	134,977,697	18.8	238,182,230	18.7
Scotia Private Canadian Small Cap Pool Series I	110,814,063	18.7	190,695,981	18.3
Scotia Private Global Real Estate Pool Series I	55,217,028	16.8	178,685,663	17.9
Scotia Private Diversified International Equity Pool Series I	56,533,219	15.9	90,904,536	10.4
Scotia Private International Equity Pool Series I	136,213,985	14.3	87,018,498	10.1
Scotia Private American Core-Plus Bond Pool Series I	89,644,503	12.7	86,547,403	6.7
Scotia Private Canadian All Cap Equity Pool Series I	56,100,384	8.8	28,864,686	2.8
Scotia Private High Yield Income Pool Series I	59,410,203	7.8	155,736,001	2.6
Scotia Private Options Income Pool Series I	56,159,374	7.4	29,012,027	2.2
Scotia Total Return Bond LP Series I	89,350,490	7.1	131,445,428	2.2
Scotia Private Short-Mid Government Bond Pool Series I	59,901,527	4.9	184,207,939	1.9
Scotia Canadian Income Fund Series I	150,733,225	2.4		
Scotia Private Floating Rate Income Pool Series I	29,450,902	2.0		
Scotia Canadian Dividend Fund Series I	167,428,069	1.8		
Scotia Private Canadian Corporate Bond Pool Series I	89,608,579	1.7		
	2,261,443,018		2,393,912,297	

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

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

Scotia INNOVA Maximum Growth Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	768,462,200	789,741,826
Cash	27,273	4,082,638
Receivable for securities sold	500,000	—
Subscriptions receivable	381,784	882,016
Accrued investment income and other	1,630	2,917
	<u>769,372,887</u>	<u>794,709,397</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	—	90,000
Redemptions payable	681,325	1,078,204
Accrued expenses	—	3
Distributions payable	50,052	920
	<u>731,377</u>	<u>1,169,127</u>
Net assets attributable to holders of redeemable units	<u>768,641,510</u>	<u>793,540,270</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Series A	766,748,612	791,463,009
Series T	<u>1,892,898</u>	<u>2,077,261</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Series A	18.33	20.29
Series T	<u>14.24</u>	<u>15.89</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	18,459,825	17,250,434
Interest for distribution purposes	2,987,474	2,386,799
Net realized gain (loss) on non-derivative financial assets	50,455,362	10,500,034
Change in unrealized gain (loss) on non-derivative financial assets	(95,825,464)	44,930,679
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(23,922,803)	75,067,946
Other income	8,650	9,196
Total income (loss), net	<u>(23,914,153)</u>	<u>75,077,142</u>
EXPENSES		
Management fees (note 5)	16,207,108	14,728,271
Fixed administration fees (note 6)	324,142	294,565
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	10	—
Foreign withholding taxes/tax reclaims	748,980	733,224
Other fund costs	291,471	257,228
Harmonized Sales Tax/Goods and Services Tax	1,587,219	1,448,924
Total expenses	<u>19,160,179</u>	<u>17,463,347</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(43,074,332)</u>	<u>57,613,795</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	(42,997,489)	57,497,990
Series T	<u>(76,843)</u>	<u>115,805</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	(1.08)	1.52
Series T	<u>(0.75)</u>	<u>1.13</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	39,696,596	37,816,267
Series T	<u>102,843</u>	<u>102,899</u>

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

Scotia INNOVA 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	791,463,009	668,088,185
Series T	2,077,261	1,106,231
	<u>793,540,270</u>	<u>669,194,416</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	(42,997,489)	57,497,990
Series T	(76,843)	115,805
	<u>(43,074,332)</u>	<u>57,613,795</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series A	(252,768)	–
Series T	(10,682)	(1,790)
From net realized gains on investments		
Series A	(35,432,703)	–
Series T	(87,853)	–
From return of capital		
Series T	–	(77,683)
	<u>(35,784,006)</u>	<u>(79,473)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	142,245,003	159,237,076
Series T	1,580,605	1,357,209
Reinvested distributions		
Series A	35,646,081	–
Series T	72,291	63,590
Payments on redemption		
Series A	(123,922,521)	(93,360,242)
Series T	(1,661,881)	(486,101)
	<u>53,959,578</u>	<u>66,811,532</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	(24,714,397)	123,374,824
Series T	(184,363)	971,030
	<u>(24,898,760)</u>	<u>124,345,854</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	766,748,612	791,463,009
Series T	1,892,898	2,077,261
	<u>768,641,510</u>	<u>793,540,270</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(43,074,332)	57,613,795
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(50,455,362)	(10,500,034)
Change in unrealized (gain) loss on non-derivative financial assets	95,825,464	(44,930,679)
Other non-cash transactions	(20,660,003)	(18,876,667)
Purchases of non-derivative financial assets and liabilities	(255,007,263)	(54,482,872)
Proceeds from sale of non-derivative financial assets and liabilities	250,986,790	4,317,400
Accrued investment income and other	1,287	(1,424)
Accrued expenses and other payables	(3)	(41,040)
Net cash provided by (used in) operating activities	<u>(22,383,422)</u>	<u>(66,901,521)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	144,325,840	160,338,951
Amounts paid on redemption of redeemable units	(125,981,281)	(93,383,632)
Distributions to unitholders of redeemable units	(16,502)	(17,711)
Net cash provided by (used in) financing activities	<u>18,328,057</u>	<u>66,937,608</u>
Net increase (decrease) in cash	(4,055,365)	36,087
Cash (bank overdraft), beginning of period	4,082,638	4,046,551
CASH (BANK OVERDRAFT), END OF PERIOD	<u>27,273</u>	<u>4,082,638</u>
Interest paid ⁽¹⁾	10	–
Interest received, net of withholding taxes ⁽¹⁾	39,601	25,917
Dividends received, net of withholding taxes ⁽¹⁾	1	–

⁽¹⁾ Classified as operating items.

Scotia INNOVA Maximum Growth Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 30.0%			
1832 AM Canadian Dividend LP Series I†	3,918,487	39,677,252	37,974,060
1832 AM Canadian Growth LP Series I†	3,031,743	30,208,673	28,535,675
Scotia Canadian Dividend Fund Series I†	801,282	38,711,060	47,730,279
Scotia Private Canadian All Cap Equity Pool Series I†	5,129,779	50,877,591	46,633,280
Scotia Private Canadian Small Cap Pool Series I†	863,821	27,025,363	28,024,765
Scotia Private International Growth Equity Pool Series I†	4,236,111	42,345,344	41,627,838
		<u>228,845,283</u>	<u>230,525,897</u>
FIXED INCOME FUNDS – 10.4%			
1832 AM North American Preferred Share LP Series I†	738,177	8,897,786	8,332,321
Scotia Canadian Income Fund Series I†	1,512,486	20,542,254	20,091,706
Scotia Private American Core-Plus Bond Pool Series I†	1,298,719	12,285,229	11,776,785
Scotia Private Canadian Corporate Bond Pool Series I†	1,157,446	12,558,844	12,164,985
Scotia Private High Yield Income Pool Series I†	948,678	8,914,089	7,803,162
Scotia Private Short-Mid Government Bond Pool Series I†	1,946,419	19,629,040	19,990,304
		<u>82,827,242</u>	<u>80,159,263</u>
FOREIGN EQUITY FUNDS – 59.6%			
1832 AM Global Completion LP Series I†	3,466,819	49,045,942	50,599,266
Scotia Global Low Volatility Equity LP Series I†	3,661,141	62,086,192	59,783,498
Scotia Private Diversified International Equity Pool Series I†	2,429,047	23,869,331	22,666,897
Scotia Private Emerging Markets Pool Series I†	4,935,820	48,593,475	51,148,912
Scotia Private Global Equity Pool Series I†	2,811,682	65,111,831	73,633,747
Scotia Private Global Real Estate Pool Series I†	1,354,350	23,074,005	24,560,052
Scotia Private International Equity Pool Series I†	4,145,008	48,984,254	50,508,994
Scotia U.S. Dividend Growers LP Series I†	3,546,514	66,042,588	65,323,238
Scotia U.S. Low Volatility Equity LP Series I†	3,672,608	64,777,609	59,552,436
		<u>451,585,227</u>	<u>457,777,040</u>
TOTAL INVESTMENT PORTFOLIO		<u>763,257,752</u>	<u>768,462,200</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>179,310</u>
NET ASSETS – 100.0%			<u>768,641,510</u>

† Investment in related party (note 10)

Scotia INNOVA Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$76,846,220 (December 31, 2017 – \$78,974,183). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	30.0	29.8
Fixed Income Funds	10.4	9.6
Foreign Equity Funds	59.6	60.1

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	768,462,200	–	–	768,462,200
	768,462,200	–	–	768,462,200

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	789,741,826	–	–	789,741,826
	789,741,826	–	–	789,741,826

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Maximum Growth Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018		December 31, 2017		
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)	
Scotia Private International Growth Equity Pool Series I	41,627,838	20.7	38,805,818	15.6	
Scotia Private Global Equity Pool Series I	73,633,747	16.6	43,598,118	13.9	
1832 AM Canadian Growth LP Series I	28,535,675	13.6	48,896,312	12.2	
Scotia Private Emerging Markets Pool Series I	51,148,912	13.2	1832 AM Canadian Dividend LP Series I	70,252,401	11.7
Scotia U.S. Dividend Growers LP Series I	65,323,238	11.5	Scotia Private Global Real Estate Pool Series I	32,935,186	9.4
1832 AM Global Completion LP Series I	50,599,266	9.1	1832 AM Global Completion LP Series I	43,262,536	9.2
Scotia U.S. Low Volatility Equity LP Series I	59,552,436	8.8	Scotia Private Canadian Small Cap Pool Series I	68,916,362	8.5
Scotia Global Low Volatility Equity LP Series I	59,783,498	8.3	Scotia U.S. Dividend Growers LP Series I	47,867,696	7.9
Scotia Private Global Real Estate Pool Series I	24,560,052	7.5	Scotia U.S. Low Volatility Equity LP Series I	70,545,043	7.1
Scotia Private Canadian All Cap Equity Pool Series I	46,633,280	7.3	Scotia Global Low Volatility Equity LP Series I	70,699,155	6.8
Scotia Private Diversified International Equity Pool Series I	22,666,897	6.4	Scotia Private International Equity Pool Series I	82,955,118	6.5
1832 AM Canadian Dividend LP Series I	37,974,060	6.3	1832 AM North American Preferred Share LP Series I	11,818,121	4.3
Scotia Private International Equity Pool Series I	50,508,994	5.3	Scotia Private Options Income Pool Series I	35,890,901	4.1
Scotia Private Canadian Small Cap Pool Series I	28,024,765	4.7	Scotia Private American Core-Plus Bond Pool Series I	11,575,513	1.3
1832 AM North American Preferred Share LP Series I	8,332,321	3.6	Scotia Private High Yield Income Pool Series I	11,337,177	0.9
Scotia Private American Core-Plus Bond Pool Series I	11,776,785	1.7	Scotia Canadian Dividend Fund Series I	58,786,101	0.6
Scotia Private Short-Mid Government Bond Pool Series I	19,990,304	1.6	Scotia Private Canadian Corporate Bond Pool Series I	20,797,213	0.4
Scotia Private High Yield Income Pool Series I	7,803,162	1.0	Scotia Canadian Income Fund Series I	20,803,055	0.3
Scotia Canadian Dividend Fund Series I	47,730,279	0.5		789,741,826	
Scotia Canadian Income Fund Series I	20,091,706	0.3			
Scotia Private Canadian Corporate Bond Pool Series I	12,164,985	0.2			
	768,462,200				

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

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

Scotia Aria Conservative Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	105,004,963	44,720,131
Cash	978,634	663,723
Subscriptions receivable	747,322	–
Accrued investment income and other	1,723	449
	<u>106,732,642</u>	<u>45,384,303</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	178,000	293,000
Redemptions payable	52,500	642,136
Distributions payable	22,489	1,153
	<u>252,989</u>	<u>936,289</u>
Net assets attributable to holders of redeemable units	<u>106,479,653</u>	<u>44,448,014</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	106,479,653	44,448,014
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	<u>9.98</u>	<u>10.52</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,291,405	444,757
Interest for distribution purposes	1,757,661	690,307
Net realized gain (loss) on non-derivative financial assets	937,510	115,907
Change in unrealized gain (loss) on non-derivative financial assets	(5,641,018)	722,121
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(1,654,442)	1,973,092
Other income	5,148	93
Total income (loss), net	<u>(1,649,294)</u>	<u>1,973,185</u>
EXPENSES		
Management fees (note 5)	937,684	398,627
Fixed administration fees (note 6)	78,140	33,108
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	40	10
Foreign withholding taxes/tax reclaims	43,288	13,301
Other fund costs	12,134	4,451
Harmonized Sales Tax/Goods and Services Tax	109,303	46,070
Total expenses	<u>1,181,838</u>	<u>496,702</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(2,831,132)</u>	<u>1,476,483</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	884,422
Premium Series	<u>(2,831,132)</u>	<u>592,061</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.46
Premium Series	<u>(0.38)</u>	<u>0.43</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	1,927,264
Premium Series	7,437,400	1,378,138

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	12,612,029
Premium Series	44,448,014	8,221,230
	<u>44,448,014</u>	<u>20,833,259</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	884,422
Premium Series	(2,831,132)	592,061
	<u>(2,831,132)</u>	<u>1,476,483</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Premium Series	(1,873,203)	(636,667)
From net realized gains on investments		
Premium Series	(758,578)	–
	<u>(2,631,781)</u>	<u>(636,667)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	16,424,431
Premium Series	78,491,988	38,179,487
Reinvested distributions		
Premium Series	2,595,492	635,514
Payments on redemption		
Series A	–	(29,920,882)
Premium Series	(13,592,928)	(2,543,611)
	<u>67,494,552</u>	<u>22,774,939</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(12,612,029)
Premium Series	62,031,639	36,226,784
	<u>62,031,639</u>	<u>23,614,755</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Premium Series	106,479,653	44,448,014
	<u>106,479,653</u>	<u>44,448,014</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(2,831,132)	1,476,483
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(937,510)	(115,907)
Change in unrealized (gain) loss on non-derivative financial assets	5,641,018	(722,121)
Other non-cash transactions	(2,992,481)	(1,118,508)
Purchases of non-derivative financial assets and liabilities	(63,590,959)	(31,173,277)
Proceeds from sale of non-derivative financial assets and liabilities	1,480,100	9,576,712
Accrued investment income and other	(1,274)	(286)
Accrued expenses and other payables	–	(982)
Net cash provided by (used in) operating activities	<u>(63,232,238)</u>	<u>(22,077,886)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	77,744,666	27,004,439
Amounts paid on redemption of redeemable units	(14,182,564)	(4,732,408)
Distributions to unitholders of redeemable units	(14,953)	(6,604)
Net cash provided by (used in) financing activities	63,547,149	22,265,427
Net increase (decrease) in cash	314,911	187,541
Cash (bank overdraft), beginning of period	663,723	476,182
CASH (BANK OVERDRAFT), END OF PERIOD	<u>978,634</u>	<u>663,723</u>
Interest paid ⁽¹⁾	40	10
Interest received, net of withholding taxes ⁽¹⁾	12,022	2,969

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 11.5%			
CI Cambridge Canadian Equity Corporate Class, Class I	305,951	6,472,481	6,112,023
Scotia Private Canadian All Cap Equity Pool Series I [†]	139,621	1,456,063	1,269,253
Scotia Private Canadian Mid Cap Pool Series I [†]	163,303	3,394,695	3,070,342
Scotia Private Canadian Small Cap Pool Series I [†]	55,600	2,126,057	1,803,816
		<u>13,449,296</u>	<u>12,255,434</u>
FIXED INCOME FUNDS – 69.7%			
1832 AM North American Preferred Share LP Series I [†]	683,664	8,679,402	7,716,999
PIMCO Monthly Income Fund (Canada) Series I	799,423	11,315,804	11,089,598
Scotia Canadian Income Fund Series I [†]	832,971	11,175,247	11,065,105
Scotia Private American Core-Plus Bond Pool Series I [†]	814,274	7,641,215	7,383,838
Scotia Private Canadian Corporate Bond Pool Series I [†]	2,462,208	26,159,218	25,878,296
Scotia Private High Yield Income Pool Series I [†]	1,342,413	12,039,243	11,041,749
		<u>77,010,129</u>	<u>74,175,585</u>
FOREIGN EQUITY FUNDS – 17.4%			
1832 AM Global Completion LP Series I [†]	143,670	2,259,547	2,096,903
Scotia Global Growth Fund Series I [†]	85,076	6,455,970	6,590,275
Scotia Private Emerging Markets Pool Series I [†]	174,674	1,992,745	1,810,111
Scotia Private International Equity Pool Series I [†]	299,470	4,022,719	3,649,187
Scotia U.S. Dividend Growers LP Series I [†]	240,375	4,610,057	4,427,468
		<u>19,341,038</u>	<u>18,573,944</u>
TOTAL INVESTMENT PORTFOLIO		<u>109,800,463</u>	<u>105,004,963</u>
OTHER ASSETS, LESS LIABILITIES – 1.4%			<u>1,474,690</u>
NET ASSETS – 100.0%			<u>106,479,653</u>

† Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 98.6% (December 31, 2017 – 100.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$10,500,496 (December 31, 2017 – \$4,472,013). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	11.5	12.4
Fixed Income Funds	69.7	69.6
Foreign Equity Funds	17.4	18.6

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	105,004,963	–	–	105,004,963
	105,004,963	–	–	105,004,963

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	44,720,131	–	–	44,720,131
	44,720,131	–	–	44,720,131

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Conservative Build Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	7,716,999	3.3
Scotia Private Canadian Mid Cap Pool Series I	3,070,342	2.6
Scotia Private High Yield Income Pool Series I	11,041,749	1.4
Scotia Private American Core-Plus Bond Pool Series I	7,383,838	1.0
Scotia U.S. Dividend Growers LP Series I	4,427,468	0.8
Scotia Global Growth Fund Series I	6,590,275	0.6
Scotia Private Canadian Corporate Bond Pool Series I	25,878,296	0.5
Scotia Private Emerging Markets Pool Series I	1,810,111	0.5
1832 AM Global Completion LP Series I	2,096,903	0.4
Scotia Private International Equity Pool Series I	3,649,187	0.4
Scotia Private Canadian Small Cap Pool Series I	1,803,816	0.3
Scotia Private Canadian All Cap Equity Pool Series I	1,269,253	0.2
Scotia Canadian Income Fund Series I	11,065,105	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	6,112,023	0.1
PIMCO Monthly Income Fund (Canada) Series I	11,089,598	0.1
	105,004,963	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	1,384,576	1.3
1832 AM North American Preferred Share LP Series I	3,123,684	1.1
Scotia Private American Core-Plus Bond Pool Series I	3,093,976	0.4
Scotia Private High Yield Income Pool Series I	4,620,097	0.4
Scotia Global Growth Fund Series I	2,874,745	0.3
Scotia Private Emerging Markets Pool Series I	810,106	0.3
Scotia U.S. Dividend Growers LP Series I	2,062,533	0.3
Scotia Private Canadian Corporate Bond Pool Series I	10,792,142	0.2
1832 AM Global Completion LP Series I	918,916	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	2,756,540	0.1
Scotia Private Canadian All Cap Equity Pool Series I	577,673	0.1
Scotia Private Canadian Small Cap Pool Series I	807,728	0.1
Scotia Canadian Income Fund Series I	4,633,516	0.1
Scotia Private International Equity Pool Series I	1,612,326	0.1
PIMCO Monthly Income Fund (Canada) Class I	4,651,573	0.0
	44,720,131	

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

Scotia Aria Conservative Defend Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	252,046,794	167,898,128
Cash	1,449,072	767,473
Subscriptions receivable	658,504	211,308
Accrued investment income and other	3,050	804
	<u>254,157,420</u>	<u>168,877,713</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	426,900	131,900
Redemptions payable	20,500	408,008
Distributions payable	77,390	36,103
	<u>524,790</u>	<u>576,011</u>
Net assets attributable to holders of redeemable units	<u>253,632,630</u>	<u>168,301,702</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	232,719,104	146,528,301
Premium T Series	8,996,700	9,219,951
Premium TH Series	10,257,574	10,729,152
Premium TL Series	<u>1,659,252</u>	<u>1,824,298</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	9.97	10.26
Premium T Series	14.11	14.66
Premium TH Series	13.31	14.05
Premium TL Series	<u>14.93</u>	<u>15.31</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	2,372,464	1,497,869
Interest for distribution purposes	4,464,413	2,933,266
Net realized gain (loss) on non-derivative financial assets	2,159,240	(55,627)
Change in unrealized gain (loss) on non-derivative financial assets	(7,464,851)	1,239,688
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,531,266	5,615,196
Other income	15,581	7,196
Total income (loss), net	<u>1,546,847</u>	<u>5,622,392</u>
EXPENSES		
Management fees (note 5)	2,574,374	1,690,078
Fixed administration fees (note 6)	214,531	140,313
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	22	–
Foreign withholding taxes/tax reclaims	28,100	15,800
Other fund costs	30,886	17,028
Harmonized Sales Tax/Goods and Services Tax	298,170	196,736
Total expenses	3,147,332	2,061,090
Expenses absorbed by the Manager	–	(1,517)
Net expenses	<u>3,147,332</u>	<u>2,059,573</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(1,600,485)</u>	<u>3,562,819</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	1,949,093
Series T	–	69,697
Series TH	–	69,580
Series TL	–	13,268
Premium Series	(1,443,351)	1,141,864
Premium T Series	(57,805)	97,508
Premium TH Series	(86,958)	183,577
Premium TL Series	<u>(12,371)</u>	<u>38,232</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.29
Series T	–	0.44
Series TH	–	0.38
Series TL	–	0.48
Premium Series	(0.08)	0.20
Premium T Series	(0.09)	0.27
Premium TH Series	(0.11)	0.35
Premium TL Series	<u>(0.11)</u>	<u>0.40</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	6,643,822
Series T	–	158,987
Series TH	–	184,694
Series TL	–	27,832
Premium Series	18,671,262	5,630,303
Premium T Series	657,772	366,338
Premium TH Series	821,476	519,328
Premium TL Series	<u>113,971</u>	<u>94,684</u>

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

Scotia Aria Conservative Defend Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	45,778,127
Series T	–	1,388,336
Series TH	–	1,887,595
Series TL	–	415,703
Premium Series	146,528,301	41,977,846
Premium T Series	9,219,951	3,874,675
Premium TH Series	10,729,152	5,719,506
Premium TL Series	1,824,298	1,622,478
	<u>168,301,702</u>	<u>102,664,266</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	1,949,093
Series T	–	69,697
Series TH	–	69,580
Series TL	–	13,268
Premium Series	(1,443,351)	1,141,864
Premium T Series	(57,805)	97,508
Premium TH Series	(86,958)	183,577
Premium TL Series	(12,371)	38,232
	<u>(1,600,485)</u>	<u>3,562,819</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(37,796)
Series TH	–	(35,508)
Series TL	–	(5,124)
Premium Series	(3,452,173)	(2,053,346)
Premium T Series	(103,685)	(95,118)
Premium TH Series	(119,007)	(110,283)
Premium TL Series	(20,309)	(18,963)
From net realized gains on investments		
Premium Series	(1,448,273)	–
Premium T Series	(56,775)	–
Premium TH Series	(66,434)	–
Premium TL Series	(10,587)	–
From return of capital		
Series T	–	(29,824)
Series TH	–	(75,251)
Series TL	–	(660)
Premium T Series	(136,262)	(75,054)
Premium TH Series	(338,813)	(233,721)
Premium TL Series	–	(2,443)
	<u>(5,752,318)</u>	<u>(2,773,091)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	46,737,243
Series T	–	2,114,010
Series TH	–	1,327,681
Series TL	–	136,393
Premium Series	125,527,112	113,187,721
Premium T Series	2,779,220	6,249,679
Premium TH Series	5,138,943	5,726,048
Premium TL Series	100	660,276
Reinvested distributions		
Series T	–	16,107
Series TH	–	35,431
Series TL	–	73
Premium Series	4,869,406	2,049,082
Premium T Series	69,920	44,704
Premium TH Series	149,842	144,220
Premium TL Series	(329)	610

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(94,464,463)
Series T	–	(3,520,530)
Series TH	–	(3,209,528)
Series TL	–	(559,653)
Premium Series	(37,861,918)	(9,774,866)
Premium T Series	(2,717,864)	(876,443)
Premium TH Series	(5,149,151)	(700,195)
Premium TL Series	(121,550)	(475,892)
	<u>92,683,731</u>	<u>64,847,708</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(45,778,127)
Series T	–	(1,388,336)
Series TH	–	(1,887,595)
Series TL	–	(415,703)
Premium Series	86,190,803	104,550,455
Premium T Series	(223,251)	5,345,276
Premium TH Series	(471,578)	5,009,646
Premium TL Series	(165,046)	201,820
	<u>85,330,928</u>	<u>65,637,436</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Series T	–	–
Series TH	–	–
Series TL	–	–
Premium Series	232,719,104	146,528,301
Premium T Series	8,996,700	9,219,951
Premium TH Series	10,257,574	10,729,152
Premium TL Series	1,659,252	1,824,298
	<u>253,632,630</u>	<u>168,301,702</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,600,485)	3,562,819
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,159,240)	55,627
Change in unrealized (gain) loss on non-derivative financial assets	7,464,851	(1,239,688)
Other non-cash transactions	(6,786,573)	(4,407,108)
Purchases of non-derivative financial assets and liabilities	(83,744,504)	(108,034,172)
Proceeds from sale of non-derivative financial assets and liabilities	1,371,802	47,846,096
Accrued investment income and other	(2,246)	(263)
Accrued expenses and other payables	–	(5,103)
Net cash provided by (used in) operating activities	<u>(85,456,395)</u>	<u>(62,221,792)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	132,565,122	83,187,252
Amounts paid on redemption of redeemable units	(45,804,936)	(20,977,953)
Distributions to unitholders of redeemable units	(622,192)	(479,423)
Net cash provided by (used in) financing activities	<u>86,137,994</u>	<u>61,729,876</u>
Net increase (decrease) in cash	681,599	(491,916)
Cash (bank overdraft), beginning of period	767,473	1,259,389
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,449,072</u>	<u>767,473</u>
Interest paid ⁽¹⁾	22	–
Interest received, net of withholding taxes ⁽¹⁾	19,959	7,962

⁽¹⁾ Classified as operating items.

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

Scotia Aria Conservative Defend Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 14.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	366,668	7,614,820	7,324,964
Dynamic Small Business Fund Series O†	342,016	6,117,015	5,540,657
Scotia Canadian Dividend Fund Series I†	394,321	22,917,634	23,488,696
		<u>36,649,469</u>	<u>36,354,317</u>
FIXED INCOME FUNDS – 75.2%			
CI Signature Corporate Bond Corporate Class, Class I	1,856,476	19,853,319	19,112,424
Dynamic Canadian Bond Fund Series O†	5,616,930	29,137,506	28,534,003
PIMCO Monthly Income Fund (Canada) Series I	1,381,614	19,632,914	19,165,751
Scotia Private Floating Rate Income Pool Series I†	4,875,577	48,181,077	47,623,663
Scotia Private Canadian Corporate Bond Pool Series I†	3,623,709	38,717,680	38,085,907
Scotia Total Return Bond LP Series I†	3,099,301	38,219,752	38,328,434
		<u>193,742,248</u>	<u>190,850,182</u>
FOREIGN EQUITY FUNDS – 9.8%			
Dynamic Global Infrastructure Fund Series O†	130,782	2,614,437	2,504,479
Scotia Global Low Volatility Equity LP Series I†	676,856	12,656,697	11,052,510
Scotia Private International Equity Pool Series I†	306,482	4,036,343	3,734,638
Scotia Private Options Income Pool Series I†	533,438	5,429,934	4,972,336
Scotia U.S. Low Volatility Equity LP Series I†	159,006	2,853,569	2,578,332
		<u>27,590,980</u>	<u>24,842,295</u>
TOTAL INVESTMENT PORTFOLIO		<u>257,982,697</u>	<u>252,046,794</u>
OTHER ASSETS, LESS LIABILITIES – 0.7%			<u>1,585,836</u>
NET ASSETS – 100.0%			<u>253,632,630</u>

† Investment in related party (note 10)

Scotia Aria Conservative Defend 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 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.3% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$25,204,679 (December 31, 2017 – \$16,789,813). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	14.3	15.5
Fixed Income Funds	75.2	74.1
Foreign Equity Funds	9.8	10.2

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	252,046,794	–	–	252,046,794
	252,046,794	–	–	252,046,794

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	167,898,128	–	–	167,898,128
	167,898,128	–	–	167,898,128

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Conservative Defend Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Floating Rate Income Pool Series I	47,623,663	3.2
Scotia Total Return Bond LP Series I	38,328,434	3.0
Dynamic Canadian Bond Fund Series O	28,534,003	2.4
Scotia Global Low Volatility Equity LP Series I	11,052,510	1.5
CI Signature Corporate Bond Corporate Class, Class I	19,112,424	0.7
Scotia Private Canadian Corporate Bond Pool Series I	38,085,907	0.7
Scotia Private Options Income Pool Series I	4,972,336	0.7
Dynamic Small Business Fund Series O	5,540,657	0.5
Scotia Private International Equity Pool Series I	3,734,638	0.4
Scotia U.S. Low Volatility Equity LP Series I	2,578,332	0.4
Scotia Canadian Dividend Fund Series I	23,488,696	0.3
CI Cambridge Canadian Equity Corporate Class, Class I	7,324,964	0.2
Dynamic Global Infrastructure Fund Series O	2,504,479	0.2
PIMCO Monthly Income Fund (Canada) Series I	19,165,751	0.1
	252,046,794	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Floating Rate Income Pool Series I	31,229,903	2.4
Scotia Total Return Bond LP Series I	24,844,039	2.4
Dynamic Canadian Bond Fund Series O	18,602,549	1.3
Scotia Global Low Volatility Equity LP Series I	7,746,044	0.7
CI Signature Corporate Bond Corporate Class, Class I	12,484,399	0.4
Scotia Private Canadian Corporate Bond Pool Series I	24,876,622	0.4
Scotia Private Options Income Pool Series I	3,456,766	0.4
Dynamic Small Business Fund Series O	3,928,876	0.3
Scotia Canadian Dividend Fund Series I	16,966,532	0.2
Scotia Private International Equity Pool Series I	2,582,359	0.2
Scotia U.S. Low Volatility Equity LP Series I	1,717,987	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	5,218,510	0.1
PIMCO Monthly Income Fund (Canada) Class I	12,508,273	0.1
Dynamic Global Infrastructure Fund Series O	1,735,269	0.1
	167,898,128	

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

Scotia Aria Conservative Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	221,388,734	150,673,944
Cash	224,745	1,029,537
Subscriptions receivable	1,175,619	177,706
Accrued investment income and other	2,251	875
	<u>222,791,349</u>	<u>151,882,062</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	396,000
Redemptions payable	920,014	5,000
Distributions payable	192,053	98,958
	<u>1,112,067</u>	<u>499,958</u>
Net assets attributable to holders of redeemable units	<u>221,679,282</u>	<u>151,382,104</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	170,330,531	106,424,951
Premium T Series	20,165,117	18,303,220
Premium TH Series	24,134,275	21,836,988
Premium TL Series	<u>7,049,359</u>	<u>4,816,945</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	9.95	10.40
Premium T Series	14.23	15.04
Premium TH Series	13.43	14.41
Premium TL Series	<u>14.63</u>	<u>15.28</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	3,341,325	2,053,817
Interest for distribution purposes	3,420,449	1,939,946
Net realized gain (loss) on non-derivative financial assets	718,653	2,483,726
Change in unrealized gain (loss) on non-derivative financial assets	(9,768,290)	542,790
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(2,287,863)	7,020,279
Other income	14,416	1,990
Total income (loss), net	<u>(2,273,447)</u>	<u>7,022,269</u>
EXPENSES		
Management fees (note 5)	2,305,500	1,427,528
Fixed administration fees (note 6)	192,125	118,507
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	36	12
Foreign withholding taxes/tax reclaims	107,644	64,514
Other fund costs	31,071	19,372
Harmonized Sales Tax/Goods and Services Tax	257,129	155,857
Total expenses	<u>2,894,754</u>	<u>1,786,925</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(5,168,201)</u>	<u>5,235,344</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	1,920,081
Series T	–	282,355
Series TH	–	225,844
Series TL	–	55,304
Premium Series	(3,791,955)	1,606,947
Premium T Series	(557,098)	405,739
Premium TH Series	(646,509)	638,630
Premium TL Series	<u>(172,639)</u>	<u>100,444</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.48
Series T	–	0.72
Series TH	–	0.65
Series TL	–	0.76
Premium Series	(0.28)	0.40
Premium T Series	(0.39)	0.65
Premium TH Series	(0.39)	0.62
Premium TL Series	<u>(0.38)</u>	<u>0.64</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	4,025,144
Series T	–	390,053
Series TH	–	348,375
Series TL	–	72,602
Premium Series	13,529,472	4,061,051
Premium T Series	1,441,421	621,878
Premium TH Series	1,669,233	1,033,658
Premium TL Series	<u>459,214</u>	<u>157,190</u>

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

Scotia 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	27,818,430
Series T	–	5,131,945
Series TH	–	3,297,975
Series TL	–	911,553
Premium Series	106,424,951	32,219,249
Premium T Series	18,303,220	7,858,807
Premium TH Series	21,836,988	11,987,100
Premium TL Series	4,816,945	2,148,241
	151,382,104	91,373,300
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	1,920,081
Series T	–	282,355
Series TH	–	225,844
Series TL	–	55,304
Premium Series	(3,791,955)	1,606,947
Premium T Series	(557,098)	405,739
Premium TH Series	(646,509)	638,630
Premium TL Series	(172,639)	100,444
	(5,168,201)	5,235,344
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(98,325)
Series TH	–	(66,831)
Series TL	–	(15,564)
Premium Series	(3,032,060)	(1,578,853)
Premium T Series	(348,095)	(173,949)
Premium TH Series	(425,182)	(220,123)
Premium TL Series	(124,183)	(59,478)
From net realized gains on investments		
Premium Series	(235,308)	–
Premium T Series	(30,631)	–
Premium TH Series	(35,571)	–
Premium TL Series	(10,443)	–
From return of capital		
Series T	–	(64,634)
Series TH	–	(140,502)
Premium T Series	(273,344)	(114,346)
Premium TH Series	(624,593)	(462,772)
	(5,139,410)	(2,995,377)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	32,690,326
Series T	–	3,722,733
Series TH	–	4,245,087
Series TL	–	885,000
Premium Series	94,104,380	79,405,390
Premium T Series	8,976,446	12,926,123
Premium TH Series	11,766,401	14,985,558
Premium TL Series	3,756,948	3,158,213
Reinvested distributions		
Series T	–	34,502
Series TH	–	69,524
Series TL	–	3,888
Premium Series	3,206,339	1,561,974
Premium T Series	162,068	58,691
Premium TH Series	249,779	181,221
Premium TL Series	22,072	24,319

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(62,428,837)
Series T	–	(9,008,576)
Series TH	–	(7,631,097)
Series TL	–	(1,840,181)
Premium Series	(26,345,816)	(6,789,756)
Premium T Series	(6,067,449)	(2,657,845)
Premium TH Series	(7,987,038)	(5,272,626)
Premium TL Series	(1,239,341)	(554,794)
	80,604,789	57,768,837
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(27,818,430)
Series T	–	(5,131,945)
Series TH	–	(3,297,975)
Series TL	–	(911,553)
Premium Series	63,905,580	74,205,702
Premium T Series	1,861,897	10,444,413
Premium TH Series	2,297,287	9,849,888
Premium TL Series	2,232,414	2,668,704
	70,297,178	60,008,804
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Series T	–	–
Series TH	–	–
Series TL	–	–
Premium Series	170,330,531	106,424,951
Premium T Series	20,165,117	18,303,220
Premium TH Series	24,134,275	21,836,988
Premium TL Series	7,049,359	4,816,945
	221,679,282	151,382,104
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(5,168,201)	5,235,344
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(718,653)	(2,483,726)
Change in unrealized (gain) loss on non-derivative financial assets	9,768,290	(542,790)
Other non-cash transactions	(6,634,539)	(3,921,022)
Purchases of non-derivative financial assets and liabilities	(74,751,038)	(83,834,826)
Proceeds from sale of non-derivative financial assets and liabilities	1,225,150	30,881,110
Accrued investment income and other	(1,376)	(305)
Accrued expenses and other payables	–	(4,526)
Net cash provided by (used in) operating activities	(76,280,367)	(54,670,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	115,519,306	78,224,044
Amounts paid on redemption of redeemable units	(38,637,674)	(22,330,999)
Distributions to unitholders of redeemable units	(1,406,057)	(1,117,344)
Net cash provided by (used in) financing activities	75,475,575	54,775,701
Net increase (decrease) in cash	(804,792)	104,960
Cash (bank overdraft), beginning of period	1,029,537	924,577
CASH (BANK OVERDRAFT), END OF PERIOD	224,745	1,029,537
Interest paid ⁽¹⁾	36	12
Interest received, net of withholding taxes ⁽¹⁾	18,216	7,923

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 14.6%			
CI Cambridge Canadian Equity Corporate Class, Class I	379,451	7,905,772	7,580,333
Dynamic Dividend Advantage Fund Series O†	478,950	3,429,187	3,247,284
Dynamic Small Business Fund Series O†	399,020	7,191,269	6,464,130
Scotia Canadian Dividend Fund Series I†	253,216	14,685,154	15,083,442
		<u>33,211,382</u>	<u>32,375,189</u>
FIXED INCOME FUNDS – 70.5%			
1832 AM North American Preferred Share LP Series I†	1,436,897	17,982,106	16,219,258
PIMCO Monthly Income Fund (Canada) Series I	1,695,530	24,135,417	23,520,399
Scotia Private American Core-Plus Bond Pool Series I†	862,779	8,171,014	7,823,683
Scotia Private Canadian Corporate Bond Pool Series I†	4,428,369	47,452,026	46,543,045
Scotia Private High Yield Income Pool Series I†	1,892,338	17,222,377	15,565,048
Scotia Total Return Bond LP Series I†	3,774,891	46,790,733	46,683,320
		<u>161,753,673</u>	<u>156,354,753</u>
FOREIGN EQUITY FUNDS – 14.7%			
Dynamic Global Infrastructure Fund Series O†	114,206	2,143,600	2,187,053
Scotia Global Dividend Fund Series I†	975,107	16,480,489	14,614,800
Scotia Private International Equity Pool Series I†	678,964	9,056,947	8,273,517
Scotia Private Options Income Pool Series I†	471,915	4,823,356	4,398,860
Scotia U.S. Dividend Growers LP Series I†	172,895	3,232,169	3,184,562
		<u>35,736,561</u>	<u>32,658,792</u>
TOTAL INVESTMENT PORTFOLIO		<u>230,701,616</u>	<u>221,388,734</u>
OTHER ASSETS, LESS LIABILITIES – 0.2%			290,548
NET ASSETS – 100.0%			<u>221,679,282</u>

† Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.8% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$22,138,873 (December 31, 2017 – \$15,067,394). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	14.6	15.3
Fixed Income Funds	70.5	68.9
Foreign Equity Funds	14.7	15.3

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	221,388,734	–	–	221,388,734
	221,388,734	–	–	221,388,734

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	150,673,944	–	–	150,673,944
	150,673,944	–	–	150,673,944

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Conservative Pay Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	16,219,258	7.0
Scotia Total Return Bond LP Series I	46,683,320	3.7
Scotia Private High Yield Income Pool Series I	15,565,048	2.0
Scotia Global Dividend Fund Series I	14,614,800	1.8
Scotia Private American Core-Plus Bond Pool Series I	7,823,683	1.1
Scotia Private Canadian Corporate Bond Pool Series I	46,543,045	0.9
Scotia Private International Equity Pool Series I	8,273,517	0.9
Dynamic Small Business Fund Series O	6,464,130	0.6
Scotia Private Options Income Pool Series I	4,398,860	0.6
Scotia U.S. Dividend Growers LP Series I	3,184,562	0.6
Dynamic Dividend Advantage Fund Series O	3,247,284	0.5
CI Cambridge Canadian Equity Corporate Class, Class I	7,580,333	0.2
Scotia Canadian Dividend Fund Series I	15,083,442	0.2
Dynamic Global Infrastructure Fund Series O	2,187,053	0.2
PIMCO Monthly Income Fund (Canada) Series I	23,520,399	0.1
	221,388,734	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	10,558,264	3.9
Scotia Total Return Bond LP Series I	31,209,198	3.0
Scotia Global Dividend Fund Series I	10,394,410	1.3
Scotia Private High Yield Income Pool Series I	10,415,571	0.8
Scotia Private American Core-Plus Bond Pool Series I	5,220,953	0.6
Scotia Private Canadian Corporate Bond Pool Series I	31,267,637	0.5
Scotia Private International Equity Pool Series I	5,779,404	0.5
Dynamic Small Business Fund Series O	4,628,533	0.4
Scotia Private Options Income Pool Series I	3,087,361	0.4
Scotia U.S. Dividend Growers LP Series I	2,302,376	0.4
Dynamic Dividend Advantage Fund Series O	2,310,611	0.3
CI Cambridge Canadian Equity Corporate Class, Class I	5,389,361	0.1
Scotia Canadian Dividend Fund Series I	10,781,885	0.1
PIMCO Monthly Income Fund (Canada) Class I	15,774,660	0.1
Dynamic Global Infrastructure Fund Series O	1,553,720	0.1
	150,673,944	

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

Scotia Aria Moderate Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	216,599,019	128,770,155
Cash	1,178,194	974,334
Subscriptions receivable	708,583	472,014
Accrued investment income and other	2,413	1,484
	<u>218,488,209</u>	<u>130,217,987</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	321,000	664,000
Redemptions payable	53,859	158,075
Distributions payable	30,870	2,434
	<u>405,729</u>	<u>824,509</u>
Net assets attributable to holders of redeemable units	<u>218,082,480</u>	<u>129,393,478</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	218,082,480	129,393,478
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.17	10.86

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	3,270,691	1,614,707
Interest for distribution purposes	3,131,042	1,596,702
Net realized gain (loss) on non-derivative financial assets	2,688,555	790,412
Change in unrealized gain (loss) on non-derivative financial assets	(15,107,627)	3,489,043
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(6,017,339)	7,490,864
Other income	5,012	564
Total income (loss), net	<u>(6,012,327)</u>	<u>7,491,428</u>
EXPENSES		
Management fees (note 5)	2,528,146	1,387,174
Fixed administration fees (note 6)	180,582	98,904
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	166,326	81,255
Other fund costs	25,459	13,475
Harmonized Sales Tax/Goods and Services Tax	277,645	149,828
Total expenses	<u>3,179,407</u>	<u>1,731,771</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(9,191,734)</u>	<u>5,759,657</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	-	3,558,117
Premium Series	<u>(9,191,734)</u>	<u>2,201,540</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	-	0.58
Premium Series	<u>(0.55)</u>	<u>0.61</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	-	6,091,479
Premium Series	16,611,928	3,598,019

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	-	38,967,968
Premium Series	129,393,478	23,439,366
	<u>129,393,478</u>	<u>62,407,334</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	-	3,558,117
Premium Series	<u>(9,191,734)</u>	<u>2,201,540</u>
	<u>(9,191,734)</u>	<u>5,759,657</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Premium Series	(3,181,444)	(1,472,349)
From net realized gains on investments		
Premium Series	<u>(1,852,751)</u>	<u>-</u>
	<u>(5,034,195)</u>	<u>(1,472,349)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	-	46,289,361
Premium Series	127,487,657	108,998,434
Reinvested distributions		
Premium Series	4,999,904	1,469,916
Payments on redemption		
Series A	-	(88,815,446)
Premium Series	<u>(29,572,630)</u>	<u>(5,243,429)</u>
	<u>102,914,931</u>	<u>62,698,836</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	-	(38,967,968)
Premium Series	<u>88,689,002</u>	<u>105,954,112</u>
	<u>88,689,002</u>	<u>66,986,144</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	-	-
Premium Series	<u>218,082,480</u>	<u>129,393,478</u>
	<u>218,082,480</u>	<u>129,393,478</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(9,191,734)	5,759,657
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(2,688,555)	(790,412)
Change in unrealized (gain) loss on non-derivative financial assets	15,107,627	(3,489,043)
Other non-cash transactions	(6,215,342)	(3,123,058)
Purchases of non-derivative financial assets and liabilities	(97,257,444)	(77,418,677)
Proceeds from sale of non-derivative financial assets and liabilities	2,881,850	17,763,335
Accrued investment income and other	(929)	(928)
Accrued expenses and other payables	-	(3,136)
Net cash provided by (used in) operating activities	<u>(97,364,527)</u>	<u>(61,302,262)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	127,251,088	71,387,517
Amounts paid on redemption of redeemable units	(29,676,846)	(10,335,984)
Distributions to unitholders of redeemable units	(5,855)	(5,085)
Net cash provided by (used in) financing activities	<u>97,568,387</u>	<u>61,046,448</u>
Net increase (decrease) in cash	203,860	(255,814)
Cash (bank overdraft), beginning of period	974,334	1,230,148
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,178,194</u>	<u>974,334</u>
Interest received, net of withholding taxes ⁽¹⁾	19,136	6,167

(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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 19.2%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,042,851	21,971,792	20,833,144
Scotia Private Canadian All Cap Equity Pool Series I†	458,988	4,754,700	4,172,523
Scotia Private Canadian Mid Cap Pool Series I†	446,463	9,316,415	8,394,175
Scotia Private Canadian Small Cap Pool Series I†	259,592	9,765,498	8,421,891
		<u>45,808,405</u>	<u>41,821,733</u>
FIXED INCOME FUNDS – 50.7%			
1832 AM North American Preferred Share LP Series I†	996,673	12,584,268	11,250,142
PIMCO Monthly Income Fund (Canada) Series I	1,196,333	16,953,273	16,595,525
Scotia Canadian Income Fund Series I†	1,284,570	17,299,999	17,064,102
Scotia Private American Core-Plus Bond Pool Series I†	1,210,385	11,423,208	10,975,769
Scotia Private Canadian Corporate Bond Pool Series I†	2,609,743	27,865,783	27,428,920
Scotia Private High Yield Income Pool Series I†	3,305,059	29,955,010	27,185,099
		<u>116,081,541</u>	<u>110,499,557</u>
FOREIGN EQUITY FUNDS – 29.5%			
1832 AM Global Completion LP Series I†	441,193	6,874,725	6,439,340
Scotia Global Growth Fund Series I†	208,700	15,138,935	16,166,708
Scotia Private Emerging Markets Pool Series I†	627,866	6,845,436	6,506,446
Scotia Private Global Real Estate Pool Series I†	354,639	6,588,224	6,431,090
Scotia Private International Equity Pool Series I†	1,061,992	14,115,873	12,940,900
Scotia Private U.S. Mid Cap Value Pool Series I†	186,613	3,352,864	3,338,510
Scotia U.S. Dividend Growers LP Series I†	676,190	12,620,101	12,454,735
		<u>65,536,158</u>	<u>64,277,729</u>
TOTAL INVESTMENT PORTFOLIO		<u>227,426,104</u>	216,599,019
OTHER ASSETS, LESS LIABILITIES – 0.6%			1,483,461
NET ASSETS – 100.0%			<u>218,082,480</u>

† Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.4% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$21,659,902 (December 31, 2017 – \$12,877,016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	19.2	20.4
Fixed Income Funds	50.7	48.2
Foreign Equity Funds	29.5	30.9

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	216,599,019	–	–	216,599,019
	216,599,019	–	–	216,599,019

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	128,770,155	–	–	128,770,155
	128,770,155	–	–	128,770,155

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Moderate Build Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	8,394,175	7.1
1832 AM North American Preferred Share LP Series I	11,250,142	4.9
Scotia Private High Yield Income Pool Series I	27,185,099	3.6
Scotia Private U.S. Mid Cap Value Pool Series I	3,338,510	3.1
Scotia U.S. Dividend Growers LP Series I	12,454,735	2.2
Scotia Private Global Real Estate Pool Series I	6,431,090	2.0
Scotia Private Emerging Markets Pool Series I	6,506,446	1.7
Scotia Private American Core-Plus Bond Pool Series I	10,975,769	1.6
Scotia Global Growth Fund Series I	16,166,708	1.5
Scotia Private Canadian Small Cap Pool Series I	8,421,891	1.4
Scotia Private International Equity Pool Series I	12,940,900	1.4
1832 AM Global Completion LP Series I	6,439,340	1.2
Scotia Private Canadian All Cap Equity Pool Series I	4,172,523	0.7
CI Cambridge Canadian Equity Corporate Class, Class I	20,833,144	0.5
Scotia Private Canadian Corporate Bond Pool Series I	27,428,920	0.5
Scotia Canadian Income Fund Series I	17,064,102	0.3
PIMCO Monthly Income Fund (Canada) Series I	16,595,525	0.1
	216,599,019	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	5,315,798	5.0
1832 AM North American Preferred Share LP Series I	6,252,959	2.3
Scotia Private U.S. Mid Cap Value Pool Series I	1,994,541	2.1
Scotia Private Emerging Markets Pool Series I	4,031,290	1.3
Scotia U.S. Dividend Growers LP Series I	7,965,295	1.3
Scotia Private High Yield Income Pool Series I	15,516,332	1.2
Scotia Private Global Real Estate Pool Series I	4,014,302	1.1
Scotia Global Growth Fund Series I	9,989,425	0.9
1832 AM Global Completion LP Series I	3,999,457	0.8
Scotia Private Canadian All Cap Equity Pool Series I	2,648,965	0.7
Scotia Private Canadian Small Cap Pool Series I	5,302,295	0.7
Scotia Private American Core-Plus Bond Pool Series I	6,245,504	0.7
Scotia Private International Equity Pool Series I	7,992,713	0.6
CI Cambridge Canadian Equity Corporate Class, Class I	13,190,069	0.3
Scotia Private Canadian Corporate Bond Pool Series I	15,587,382	0.3
Scotia Canadian Income Fund Series I	9,331,592	0.2
PIMCO Monthly Income Fund (Canada) Class I	9,392,236	0.1
	128,770,155	

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

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

Scotia Aria Moderate Defend Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	534,635,986	362,415,657
Cash	1,506,589	2,180,431
Subscriptions receivable	1,133,722	1,326,353
Accrued investment income and other	3,697	1,888
	<u>537,279,994</u>	<u>365,924,329</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	46,000	803,000
Redemptions payable	651,473	555,712
Accrued expenses	–	7
Distributions payable	169,198	79,729
	<u>866,671</u>	<u>1,438,448</u>
Net assets attributable to holders of redeemable units	<u>536,413,323</u>	<u>364,485,881</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	503,098,384	331,874,710
Premium T Series	13,118,487	12,445,532
Premium TH Series	16,659,321	17,125,145
Premium TL Series	<u>3,537,131</u>	<u>3,040,494</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.03	10.54
Premium T Series	13.68	14.62
Premium TH Series	12.56	13.70
Premium TL Series	<u>14.80</u>	<u>15.52</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,755,482	4,644,883
Interest for distribution purposes	6,865,558	4,584,010
Net realized gain (loss) on non-derivative financial assets	8,403,141	2,095,040
Change in unrealized gain (loss) on non-derivative financial assets	<u>(27,749,211)</u>	<u>4,442,835</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(4,725,030)	15,766,768
Other income	6,581	3,747
Total income (loss), net	<u>(4,718,449)</u>	<u>15,770,515</u>
EXPENSES		
Management fees (note 5)	6,468,857	4,164,898
Fixed administration fees (note 6)	462,061	296,950
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	167,861	87,947
Other fund costs	88,226	45,010
Harmonized Sales Tax/Goods and Services Tax	<u>706,995</u>	<u>448,919</u>
Total expenses	7,895,249	5,044,859
Expenses absorbed by the Manager	–	(378)
Net expenses	<u>7,895,249</u>	<u>5,044,481</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(12,613,698)</u>	<u>10,726,034</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	5,512,364
Series T	–	112,889
Series TH	–	186,608
Series TL	–	24,833
Premium Series	(11,800,142)	4,129,800
Premium T Series	(289,167)	294,700
Premium TH Series	(436,688)	401,794
Premium TL Series	<u>(87,701)</u>	<u>63,046</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.37
Series T	–	0.50
Series TH	–	0.50
Series TL	–	0.59
Premium Series	(0.29)	0.35
Premium T Series	(0.32)	0.51
Premium TH Series	(0.33)	0.47
Premium TL Series	<u>(0.38)</u>	<u>0.55</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	14,851,768
Series T	–	225,090
Series TH	–	376,567
Series TL	–	42,080
Premium Series	40,545,819	11,674,740
Premium T Series	912,423	579,033
Premium TH Series	1,342,023	859,393
Premium TL Series	<u>229,343</u>	<u>114,239</u>

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

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

Scotia Aria Moderate Defend Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	97,473,460
Series T	–	2,294,447
Series TH	–	3,976,815
Series TL	–	455,469
Premium Series	331,874,710	83,117,285
Premium T Series	12,445,532	5,751,113
Premium TH Series	17,125,145	9,545,904
Premium TL Series	3,040,494	624,622
	<u>364,485,881</u>	<u>203,239,115</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	5,512,364
Series T	–	112,889
Series TH	–	186,608
Series TL	–	24,833
Premium Series	(11,800,142)	4,129,800
Premium T Series	(289,167)	294,700
Premium TH Series	(436,688)	401,794
Premium TL Series	(87,701)	63,046
	<u>(12,613,698)</u>	<u>10,726,034</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(33,221)
Series TH	–	(43,599)
Series TL	–	(9,562)
Premium Series	(5,988,646)	(3,788,411)
Premium T Series	(129,888)	(93,719)
Premium TH Series	(145,298)	(108,353)
Premium TL Series	(34,055)	(30,015)
From net realized gains on investments		
Premium Series	(6,484,436)	–
Premium T Series	(168,329)	–
Premium TH Series	(221,359)	–
Premium TL Series	(46,158)	–
From return of capital		
Series T	–	(92,423)
Series TH	–	(251,845)
Series TL	–	(2,182)
Premium T Series	(250,867)	(260,733)
Premium TH Series	(741,544)	(625,891)
Premium TL Series	–	(6,850)
	<u>(14,210,580)</u>	<u>(5,346,804)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	107,533,226
Series T	–	2,243,185
Series TH	–	2,958,881
Series TL	–	372,583
Premium Series	251,755,211	261,523,989
Premium T Series	5,815,397	8,216,043
Premium TH Series	6,653,762	11,820,118
Premium TL Series	1,486,634	2,546,483
Reinvested distributions		
Series T	–	49,488
Series TH	–	58,144
Series TL	–	3,877
Premium Series	12,435,826	3,777,975
Premium T Series	189,475	156,414
Premium TH Series	182,958	112,719
Premium TL Series	44,306	23,228

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(210,519,050)
Series T	–	(4,574,365)
Series TH	–	(6,885,004)
Series TL	–	(845,018)
Premium Series	(68,694,139)	(16,885,928)
Premium T Series	(4,493,666)	(1,618,286)
Premium TH Series	(5,757,655)	(4,021,146)
Premium TL Series	(866,389)	(180,020)
	<u>198,751,720</u>	<u>155,867,536</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(97,473,460)
Series T	–	(2,294,447)
Series TH	–	(3,976,815)
Series TL	–	(455,469)
Premium Series	171,223,674	248,757,425
Premium T Series	672,955	6,694,419
Premium TH Series	(465,824)	7,579,241
Premium TL Series	496,637	2,415,872
	<u>171,927,442</u>	<u>161,246,766</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Series T	–	–
Series TH	–	–
Series TL	–	–
Premium Series	503,098,384	331,874,710
Premium T Series	13,118,487	12,445,532
Premium TH Series	16,659,321	17,125,145
Premium TL Series	3,537,131	3,040,494
	<u>536,413,323</u>	<u>364,485,881</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(12,613,698)	10,726,034
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(8,403,141)	(2,095,040)
Change in unrealized (gain) loss on non-derivative financial assets	27,749,211	(4,442,835)
Other non-cash transactions	(14,410,934)	(9,124,837)
Purchases of non-derivative financial assets and liabilities	(178,212,465)	(238,266,642)
Proceeds from sale of non-derivative financial assets and liabilities	300,000	92,332,649
Accrued investment income and other	(1,809)	(1,141)
Accrued expenses and other payables	(7)	(10,136)
Net cash provided by (used in) operating activities	(185,592,843)	(150,881,948)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	265,475,111	189,195,791
Amounts paid on redemption of redeemable units	(79,287,564)	(36,500,520)
Distributions to unitholders of redeemable units	(1,268,546)	(1,171,257)
Net cash provided by (used in) financing activities	184,919,001	151,524,014
Net increase (decrease) in cash	(673,842)	642,066
Cash (bank overdraft), beginning of period	2,180,431	1,538,365
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,506,589</u>	<u>2,180,431</u>
Interest received, net of withholding taxes ⁽¹⁾	40,429	14,968

(1) Classified as operating items.

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

Scotia Aria Moderate Defend Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 26.2%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,442,864	30,119,915	28,824,247
Dynamic Small Business Fund Series O†	1,293,479	22,403,061	20,954,355
Scotia Canadian Dividend Fund Series I†	1,172,706	68,921,165	69,855,018
Scotia Private Canadian All Cap Equity Pool Series I†	2,313,349	23,831,636	21,029,963
		<u>145,275,777</u>	<u>140,663,583</u>
FIXED INCOME FUNDS – 55.5%			
CI Signature Corporate Bond Corporate Class, Class I	2,891,180	30,963,092	29,764,700
Dynamic Canadian Bond Fund Series O†	8,798,979	45,611,956	44,698,814
PIMCO Monthly Income Fund (Canada) Series I	3,236,242	45,973,326	44,893,154
Scotia Private Floating Rate Income Pool Series I†	7,591,077	75,024,535	74,148,122
Scotia Private Canadian Corporate Bond Pool Series I†	4,247,484	45,716,077	44,641,907
Scotia Total Return Bond LP Series I†	4,795,445	59,138,690	59,304,309
		<u>302,427,676</u>	<u>297,451,006</u>
FOREIGN EQUITY FUNDS – 18.0%			
Dynamic Global Infrastructure Fund Series O†	483,679	9,700,670	9,262,462
Scotia Global Low Volatility Equity LP Series I†	2,366,357	44,341,242	38,640,713
Scotia Private International Equity Pool Series I†	1,994,892	26,519,869	24,308,752
Scotia Private Options Income Pool Series I†	1,581,413	16,120,539	14,740,824
Scotia U.S. Low Volatility Equity LP Series I†	590,100	10,605,357	9,568,646
		<u>107,287,677</u>	<u>96,521,397</u>
TOTAL INVESTMENT PORTFOLIO		<u>554,991,130</u>	<u>534,635,986</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>1,777,337</u>
NET ASSETS – 100.0%			<u>536,413,323</u>

† Investment in related party (note 10)

Scotia Aria Moderate Defend 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 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$53,463,599 (December 31, 2017 – \$36,241,566). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	26.2	27.5
Fixed Income Funds	55.5	53.5
Foreign Equity Funds	18.0	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, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	534,635,986	–	–	534,635,986
	534,635,986	–	–	534,635,986

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	362,415,657	–	–	362,415,657
	362,415,657	–	–	362,415,657

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Moderate Defend Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Low Volatility Equity LP Series I	38,640,713	5.4
Scotia Private Floating Rate Income Pool Series I	74,148,122	5.0
Scotia Total Return Bond LP Series I	59,304,309	4.7
Dynamic Canadian Bond Fund Series O	44,698,814	3.8
Scotia Private Canadian All Cap Equity Pool Series I	21,029,963	3.3
Scotia Private International Equity Pool Series I	24,308,752	2.5
Scotia Private Options Income Pool Series I	14,740,824	1.9
Dynamic Small Business Fund Series O	20,954,355	1.8
Scotia U.S. Low Volatility Equity LP Series I	9,568,646	1.4
CI Signature Corporate Bond Corporate Class, Class I	29,764,700	1.1
Scotia Private Canadian Corporate Bond Pool Series I	44,641,907	0.9
Scotia Canadian Dividend Fund Series I	69,855,018	0.8
Dynamic Global Infrastructure Fund Series O	9,262,462	0.8
CI Cambridge Canadian Equity Corporate Class, Class I	28,824,247	0.7
PIMCO Monthly Income Fund (Canada) Series I	44,893,154	0.3
	534,635,986	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	14,892,511	3.8
Scotia Total Return Bond LP Series I	39,007,010	3.8
Scotia Private Floating Rate Income Pool 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	

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

Scotia Aria Moderate Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	240,938,507	160,275,589
Cash	1,559,248	510,744
Subscriptions receivable	616,716	1,068,257
Accrued investment income and other	2,562	923
	<u>243,117,033</u>	<u>161,855,513</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	224,000	–
Redemptions payable	449,064	531,050
Distributions payable	224,922	131,639
	<u>897,986</u>	<u>662,689</u>
Net assets attributable to holders of redeemable units	<u>242,219,047</u>	<u>161,192,824</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	184,962,130	111,353,633
Premium T Series	23,580,798	17,245,838
Premium TH Series	26,665,908	23,873,650
Premium TL Series	<u>7,010,211</u>	<u>8,719,703</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.00	10.63
Premium T Series	13.75	14.93
Premium TH Series	12.68	14.06
Premium TL Series	<u>14.58</u>	<u>15.50</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	4,179,131	2,444,718
Interest for distribution purposes	2,872,306	1,618,033
Net realized gain (loss) on non-derivative financial assets	1,976,233	3,578,519
Change in unrealized gain (loss) on non-derivative financial assets	(15,184,381)	1,501,135
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(6,156,711)	9,142,405
Other income	8,257	4,483
Total income (loss), net	<u>(6,148,454)</u>	<u>9,146,888</u>
EXPENSES		
Management fees (note 5)	2,890,821	1,803,518
Fixed administration fees (note 6)	206,487	128,289
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	–	2
Foreign withholding taxes/tax reclaims	192,813	107,009
Other fund costs	23,590	13,920
Harmonized Sales Tax/Goods and Services Tax	321,586	194,306
Total expenses	3,636,546	2,248,179
Expenses absorbed by the Manager	–	(1,233)
Net expenses	<u>3,636,546</u>	<u>2,246,946</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(9,785,000)</u>	<u>6,899,942</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	2,674,723
Series T	–	215,680
Series TH	–	340,623
Series TL	–	89,574
Premium Series	(7,327,763)	1,867,967
Premium T Series	(970,445)	628,199
Premium TH Series	(1,171,114)	797,832
Premium TL Series	<u>(315,678)</u>	<u>285,344</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.55
Series T	–	0.77
Series TH	–	0.75
Series TL	–	0.79
Premium Series	(0.52)	0.52
Premium T Series	(0.65)	0.81
Premium TH Series	(0.60)	0.75
Premium TL Series	<u>(0.58)</u>	<u>0.80</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	4,887,273
Series T	–	278,568
Series TH	–	451,847
Series TL	–	113,064
Premium Series	14,157,010	3,559,169
Premium T Series	1,496,447	773,719
Premium TH Series	1,937,606	1,069,961
Premium TL Series	541,084	358,523

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	32,887,002
Series T	–	3,089,883
Series TH	–	4,962,696
Series TL	–	1,250,996
Premium Series	111,353,633	23,909,534
Premium T Series	17,245,838	10,059,761
Premium TH Series	23,873,650	12,600,690
Premium TL Series	8,719,703	3,739,776
	<u>161,192,824</u>	<u>92,500,338</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	2,674,723
Series T	–	215,680
Series TH	–	340,623
Series TL	–	89,574
Premium Series	(7,327,763)	1,867,967
Premium T Series	(970,445)	628,199
Premium TH Series	(1,171,114)	797,832
Premium TL Series	(315,678)	285,344
	<u>(9,785,000)</u>	<u>6,899,942</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(44,200)
Series TH	–	(68,080)
Series TL	–	(22,553)
Premium Series	(2,672,722)	(1,309,044)
Premium T Series	(294,759)	(132,893)
Premium TH Series	(318,639)	(178,258)
Premium TL Series	(57,544)	(79,536)
From net realized gains on investments		
Premium Series	(887,048)	–
Premium T Series	(113,553)	–
Premium TH Series	(130,369)	–
Premium TL Series	(34,099)	–
From return of capital		
Series T	–	(111,914)
Series TH	–	(284,105)
Series TL	–	(9,030)
Premium T Series	(498,096)	(336,482)
Premium TH Series	(1,200,399)	(743,891)
Premium TL Series	(72,089)	(31,846)
	<u>(6,279,317)</u>	<u>(3,351,832)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	37,886,781
Series T	–	2,726,457
Series TH	–	3,834,446
Series TL	–	802,531
Premium Series	109,194,440	90,933,585
Premium T Series	12,712,372	11,066,906
Premium TH Series	11,149,454	14,657,932
Premium TL Series	2,812,694	4,891,681
Reinvested distributions		
Series T	–	64,430
Series TH	–	88,913
Series TL	–	6,630
Premium Series	3,512,114	1,298,667
Premium T Series	199,046	81,384
Premium TH Series	268,008	100,133
Premium TL Series	48,942	37,227

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(73,448,506)
Series T	–	(5,940,336)
Series TH	–	(8,874,493)
Series TL	–	(2,118,148)
Premium Series	(28,210,524)	(5,347,076)
Premium T Series	(4,699,605)	(4,121,037)
Premium TH Series	(5,804,683)	(3,360,788)
Premium TL Series	(4,091,718)	(122,943)
	<u>97,090,540</u>	<u>65,144,376</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(32,887,002)
Series T	–	(3,089,883)
Series TH	–	(4,962,696)
Series TL	–	(1,250,996)
Premium Series	73,608,497	87,444,099
Premium T Series	6,334,960	7,186,077
Premium TH Series	2,792,258	11,272,960
Premium TL Series	(1,709,492)	4,979,927
	<u>81,026,223</u>	<u>68,692,486</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Series T	–	–
Series TH	–	–
Series TL	–	–
Premium Series	184,962,130	111,353,633
Premium T Series	23,580,798	17,245,838
Premium TH Series	26,665,908	23,873,650
Premium TL Series	7,010,211	8,719,703
	<u>242,219,047</u>	<u>161,192,824</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(9,785,000)	6,899,942
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,976,233)	(3,578,519)
Change in unrealized (gain) loss on non-derivative financial assets	15,184,381	(1,501,135)
Other non-cash transactions	(6,836,911)	(3,948,388)
Purchases of non-derivative financial assets and liabilities	(88,197,456)	(88,577,180)
Proceeds from sale of non-derivative financial assets and liabilities	1,387,299	28,457,433
Accrued investment income and other	(1,639)	(446)
Accrued expenses and other payables	–	(7,480)
Net cash provided by (used in) operating activities	<u>(90,225,559)</u>	<u>(62,255,773)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	135,124,571	84,821,986
Amounts paid on redemption of redeemable units	(41,692,585)	(21,225,869)
Distributions to unitholders of redeemable units	(2,157,923)	(1,746,048)
Net cash provided by (used in) financing activities	<u>91,274,063</u>	<u>61,850,069</u>
Net increase (decrease) in cash	1,048,504	(405,704)
Cash (bank overdraft), beginning of period	510,744	916,448
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,559,248</u>	<u>510,744</u>
Interest paid ⁽¹⁾	–	2
Interest received, net of withholding taxes ⁽¹⁾	20,076	6,907

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 24.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	590,170	12,317,109	11,789,882
Dynamic Dividend Advantage Fund Series O [†]	1,305,589	9,460,144	8,851,898
Dynamic Small Business Fund Series O [†]	725,027	12,737,255	11,745,444
Scotia Canadian Dividend Fund Series I [†]	294,914	17,265,153	17,567,231
Scotia Private Canadian All Cap Equity Pool Series I [†]	988,675	10,212,431	8,987,746
		<u>61,992,092</u>	<u>58,942,201</u>
FIXED INCOME FUNDS – 50.5%			
1832 AM North American Preferred Share LP Series I [†]	1,113,135	13,991,488	12,564,738
PIMCO Monthly Income Fund (Canada) Series I	1,764,572	25,083,613	24,478,141
Scotia Private American Core-Plus Bond Pool Series I [†]	672,259	6,362,290	6,096,040
Scotia Private Canadian Corporate Bond Pool Series I [†]	3,488,538	37,344,580	36,665,228
Scotia Private High Yield Income Pool Series I [†]	2,192,052	19,948,705	18,030,285
Scotia Total Return Bond LP Series I [†]	1,987,556	24,612,078	24,579,703
		<u>127,342,754</u>	<u>122,414,135</u>
FOREIGN EQUITY FUNDS – 24.6%			
Dynamic Global Infrastructure Fund Series O [†]	155,140	2,915,108	2,970,926
Scotia Global Dividend Fund Series I [†]	1,574,365	26,477,820	23,596,419
Scotia Private International Equity Pool Series I [†]	1,248,031	16,578,933	15,207,878
Scotia Private Options Income Pool Series I [†]	967,357	9,890,833	9,017,024
Scotia Private Real Estate Income Pool Series I [†]	252,725	2,862,843	2,931,586
Scotia U.S. Dividend Growers LP Series I [†]	318,060	5,963,819	5,858,338
		<u>64,689,356</u>	<u>59,582,171</u>
TOTAL INVESTMENT PORTFOLIO		<u>254,024,202</u>	<u>240,938,507</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>1,280,540</u>
NET ASSETS – 100.0%			<u>242,219,047</u>

[†] Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.4% (December 31, 2017 – 99.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$24,093,851 (December 31, 2017 – \$16,027,559). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	24.3	25.6
Fixed Income Funds	50.5	48.7
Foreign Equity Funds	24.6	25.1

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	240,938,507	–	–	240,938,507
	240,938,507	–	–	240,938,507

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	160,275,589	–	–	160,275,589
	160,275,589	–	–	160,275,589

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Moderate Pay Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	12,564,738	5.4
Scotia Global Dividend Fund Series I	23,596,419	3.0
Scotia Private High Yield Income Pool Series I	18,030,285	2.4
Scotia Total Return Bond LP Series I	24,579,703	1.9
Scotia Private International Equity Pool Series I	15,207,878	1.6
Dynamic Dividend Advantage Fund Series O	8,851,898	1.5
Scotia Private Canadian All Cap Equity Pool Series I	8,987,746	1.4
Scotia Private Options Income Pool Series I	9,017,024	1.2
Dynamic Small Business Fund Series O	11,745,444	1.0
Scotia U.S. Dividend Growers LP Series I	5,858,338	1.0
Scotia Private American Core-Plus Bond Pool Series I	6,096,040	0.9
Scotia Private Canadian Corporate Bond Pool Series I	36,665,228	0.7
Scotia Private Real Estate Income Pool Series I	2,931,586	0.7
CI Cambridge Canadian Equity Corporate Class, Class I	11,789,882	0.3
Dynamic Global Infrastructure Fund Series O	2,970,926	0.3
Scotia Canadian Dividend Fund Series I	17,567,231	0.2
PIMCO Monthly Income Fund (Canada) Series I	24,478,141	0.1
	240,938,507	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	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	

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

Scotia Aria Progressive Build Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	340,688,323	168,034,655
Cash	1,886,224	1,513,048
Subscriptions receivable	2,163,474	595,138
Accrued investment income and other	4,052	1,140
	<u>344,742,073</u>	<u>170,143,981</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	933,100	954,000
Redemptions payable	56,925	40,190
Distributions payable	3,407	2,863
	<u>993,432</u>	<u>997,053</u>
Net assets attributable to holders of redeemable units	<u>343,748,641</u>	<u>169,146,928</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	343,748,641	169,146,928
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	<u>10.53</u>	<u>11.44</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	6,365,781	2,629,801
Interest for distribution purposes	2,423,336	1,017,770
Net realized gain (loss) on non-derivative financial assets	5,825,744	1,264,083
Change in unrealized gain (loss) on non-derivative financial assets	<u>(30,359,639)</u>	<u>7,501,761</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(15,744,778)</u>	<u>12,413,415</u>
Other income	11,457	87
Total income (loss), net	<u>(15,733,321)</u>	<u>12,413,502</u>
EXPENSES		
Management fees (note 5)	4,344,401	2,074,215
Fixed administration fees (note 6)	271,525	129,555
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	410,162	163,808
Other fund costs	47,827	21,550
Harmonized Sales Tax/Goods and Services Tax	458,823	225,569
Total expenses	<u>5,533,987</u>	<u>2,615,832</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(21,267,308)</u>	<u>9,797,670</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	5,801,001
Premium Series	<u>(21,267,308)</u>	<u>3,996,669</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.74
Premium Series	<u>(0.90)</u>	<u>0.91</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	7,848,201
Premium Series	<u>23,748,676</u>	<u>4,368,899</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	53,623,561
Premium Series	<u>169,146,928</u>	<u>28,474,203</u>
	<u>169,146,928</u>	<u>82,097,764</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	5,801,001
Premium Series	<u>(21,267,308)</u>	<u>3,996,669</u>
	<u>(21,267,308)</u>	<u>9,797,670</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Premium Series	<u>(3,309,179)</u>	<u>(1,092,943)</u>
From net realized gains on investments		
Premium Series	<u>(4,366,406)</u>	<u>–</u>
	<u>(7,675,585)</u>	<u>(1,092,943)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	59,880,499
Premium Series	<u>230,598,663</u>	<u>142,468,284</u>
Reinvested distributions		
Premium Series	<u>7,672,178</u>	<u>1,090,080</u>
Payments on redemption		
Series A	–	(119,305,061)
Premium Series	<u>(34,726,235)</u>	<u>(5,789,365)</u>
	<u>203,544,606</u>	<u>78,344,437</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(53,623,561)
Premium Series	<u>174,601,713</u>	<u>140,672,725</u>
	<u>174,601,713</u>	<u>87,049,164</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Premium Series	<u>343,748,641</u>	<u>169,146,928</u>
	<u>343,748,641</u>	<u>169,146,928</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(21,267,308)</u>	<u>9,797,670</u>
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	<u>(5,825,744)</u>	<u>(1,264,083)</u>
Change in unrealized (gain) loss on non-derivative financial assets	<u>30,359,639</u>	<u>(7,501,761)</u>
Other non-cash transactions	<u>(8,344,078)</u>	<u>(3,475,518)</u>
Purchases of non-derivative financial assets and liabilities	<u>(191,590,835)</u>	<u>(92,468,927)</u>
Proceeds from sale of non-derivative financial assets and liabilities	<u>2,726,450</u>	<u>17,807,280</u>
Accrued investment income and other	<u>(2,912)</u>	<u>(576)</u>
Accrued expenses and other payables	<u>–</u>	<u>(4,378)</u>
Net cash provided by (used in) operating activities	<u>(193,944,788)</u>	<u>(77,110,293)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	<u>229,030,327</u>	<u>90,010,185</u>
Amounts paid on redemption of redeemable units	<u>(34,709,500)</u>	<u>(12,755,574)</u>
Distributions to unitholders of redeemable units	<u>(2,863)</u>	<u>(9,357)</u>
Net cash provided by (used in) financing activities	<u>194,317,964</u>	<u>77,245,254</u>
Net increase (decrease) in cash	<u>373,176</u>	<u>134,961</u>
Cash (bank overdraft), beginning of period	<u>1,513,048</u>	<u>1,378,087</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,886,224</u>	<u>1,513,048</u>
Interest received, net of withholding taxes ⁽¹⁾	<u>31,965</u>	<u>7,666</u>

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 29.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	2,510,185	53,124,240	50,146,217
Scotia Private Canadian All Cap Equity Pool Series I†	1,131,905	11,724,102	10,289,811
Scotia Private Canadian Mid Cap Pool Series I†	806,317	16,800,829	15,159,978
Scotia Private Canadian Small Cap Pool Series I†	778,055	29,499,220	25,242,289
		<u>111,148,391</u>	<u>100,838,295</u>
FIXED INCOME FUNDS – 25.0%			
1832 AM North American Preferred Share LP Series I†	1,189,850	15,105,135	13,430,671
PIMCO Monthly Income Fund (Canada) Series I	917,195	12,989,441	12,723,324
Scotia Canadian Income Fund Series I†	625,867	8,402,301	8,313,959
Scotia Private American Core-Plus Bond Pool Series I†	934,888	8,783,040	8,477,561
Scotia Private Canadian Corporate Bond Pool Series I†	1,620,411	17,287,006	17,030,847
Scotia Private High Yield Income Pool Series I†	3,136,078	28,274,867	25,795,186
		<u>90,841,790</u>	<u>85,771,548</u>
FOREIGN EQUITY FUNDS – 44.8%			
1832 AM Global Completion LP Series I†	1,058,083	16,540,415	15,443,036
Scotia Global Growth Fund Series I†	404,230	29,887,435	31,313,144
Scotia Private Emerging Markets Pool Series I†	2,249,960	25,023,026	23,315,881
Scotia Private Global Real Estate Pool Series I†	858,309	15,977,402	15,564,746
Scotia Private International Equity Pool Series I†	2,556,909	33,824,423	31,157,212
Scotia Private U.S. Mid Cap Value Pool Series I†	438,334	7,944,030	7,841,796
Scotia U.S. Dividend Growers LP Series I†	1,598,494	30,407,806	29,442,665
		<u>159,604,537</u>	<u>154,078,480</u>
TOTAL INVESTMENT PORTFOLIO		<u>361,594,718</u>	<u>340,688,323</u>
OTHER ASSETS, LESS LIABILITIES – 0.9%			<u>3,060,318</u>
NET ASSETS – 100.0%			<u>343,748,641</u>

† Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.1% (December 31, 2017 – 99.3%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$34,068,832 (December 31, 2017 – \$16,803,466). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	29.3	29.9
Fixed Income Funds	25.0	23.8
Foreign Equity Funds	44.8	45.6

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	340,688,323	–	–	340,688,323
	340,688,323	–	–	340,688,323

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	168,034,655	–	–	168,034,655
	168,034,655	–	–	168,034,655

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Progressive Build Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	15,159,978	12.9
Scotia Private U.S. Mid Cap Value Pool Series I	7,841,796	7.2
Scotia Private Emerging Markets Pool Series I	23,315,881	6.0
1832 AM North American Preferred Share LP Series I	13,430,671	5.8
Scotia U.S. Dividend Growers LP Series I	29,442,665	5.2
Scotia Private Global Real Estate Pool Series I	15,564,746	4.7
Scotia Private Canadian Small Cap Pool Series I	25,242,289	4.3
Scotia Private High Yield Income Pool Series I	25,795,186	3.4
Scotia Private International Equity Pool Series I	31,157,212	3.3
Scotia Global Growth Fund Series I	31,313,144	2.9
1832 AM Global Completion LP Series I	15,443,036	2.8
Scotia Private Canadian All Cap Equity Pool Series I	10,289,811	1.6
Scotia Private American Core-Plus Bond Pool Series I	8,477,561	1.2
CI Cambridge Canadian Equity Corporate Class, Class I	50,146,217	1.1
Scotia Private Canadian Corporate Bond Pool Series I	17,030,847	0.3
PIMCO Monthly Income Fund (Canada) Series I	12,723,324	0.1
Scotia Canadian Income Fund Series I	8,313,959	0.1
	340,688,323	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	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	

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

Scotia Aria Progressive Defend Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	396,817,754	239,694,114
Cash	2,456,918	2,050,469
Subscriptions receivable	1,419,377	941,333
Accrued investment income and other	4,248	1,342
	<u>400,698,297</u>	<u>242,687,258</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	614,000	1,110,100
Redemptions payable	229,062	82,807
Distributions payable	50,149	33,255
	<u>893,211</u>	<u>1,226,162</u>
Net assets attributable to holders of redeemable units	<u>399,805,086</u>	<u>241,461,096</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	387,530,090	228,675,816
Premium T Series	6,593,066	4,735,983
Premium TH Series	5,286,691	7,451,922
Premium TL Series	395,239	597,375
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.10	10.80
Premium T Series	13.17	14.55
Premium TH Series	11.98	13.56
Premium TL Series	14.66	15.74

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,209,633	3,708,608
Interest for distribution purposes	3,366,155	2,035,124
Net realized gain (loss) on non-derivative financial assets	9,346,607	2,224,921
Change in unrealized gain (loss) on non-derivative financial assets	(28,417,091)	4,183,931
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(8,494,696)	12,152,584
Other income	4,417	8,753
Total income (loss), net	<u>(8,490,279)</u>	<u>12,161,337</u>
EXPENSES		
Management fees (note 5)	5,318,858	3,130,238
Fixed administration fees (note 6)	332,429	195,516
Independent Review Committee fees	1,249	1,135
Foreign withholding taxes/tax reclaims	212,598	97,042
Other fund costs	81,673	35,823
Harmonized Sales Tax/Goods and Services Tax	565,320	335,554
Total expenses	6,512,127	3,795,308
Expenses absorbed by the Manager	-	(537)
Net expenses	<u>6,512,127</u>	<u>3,794,771</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(15,002,406)</u>	<u>8,366,566</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	-	4,643,372
Series T	-	68,658
Series TH	-	119,231
Series TL	-	18,884
Premium Series	(14,405,705)	3,169,249
Premium T Series	(302,332)	119,492
Premium TH Series	(271,826)	218,072
Premium TL Series	(22,543)	9,608
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	-	0.41
Series T	-	0.58
Series TH	-	0.60
Series TL	-	0.98
Premium Series	(0.49)	0.45
Premium T Series	(0.69)	0.88
Premium TH Series	(0.53)	0.69
Premium TL Series	(0.69)	2.15
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	-	11,201,650
Series T	-	117,483
Series TH	-	199,089
Series TL	-	19,349
Premium Series	29,542,931	6,968,711
Premium T Series	439,674	136,030
Premium TH Series	513,315	316,102
Premium TL Series	32,489	4,477

[†] 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 Aria Progressive Defend Portfolio (Continued)

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	76,596,843
Series T	–	1,083,665
Series TH	–	3,074,740
Series TL	–	230,938
Premium Series	228,675,816	46,784,245
Premium T Series	4,735,983	1,379,934
Premium TH Series	7,451,922	3,362,593
Premium TL Series	597,375	172,753
	<u>241,461,096</u>	<u>132,685,711</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	4,643,372
Series T	–	68,658
Series TH	–	119,231
Series TL	–	18,884
Premium Series	(14,405,705)	3,169,249
Premium T Series	(302,332)	119,492
Premium TH Series	(271,826)	218,072
Premium TL Series	(22,543)	9,608
	<u>(15,002,406)</u>	<u>8,366,566</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(15,393)
Series TH	–	(26,183)
Series TL	–	(2,779)
Premium Series	(3,509,398)	(1,807,725)
Premium T Series	(49,064)	(19,968)
Premium TH Series	(4,303)	(46,254)
Premium TL Series	(467)	(727)
From net realized gains on investments		
Premium Series	(7,590,251)	–
Premium T Series	(132,770)	–
Premium TH Series	(107,538)	–
Premium TL Series	(7,871)	–
From return of capital		
Series T	–	(67,677)
Series TH	–	(165,682)
Series TL	–	(4,246)
Premium T Series	(154,512)	(87,790)
Premium TH Series	(407,909)	(292,690)
Premium TL Series	(3,813)	(1,110)
	<u>(11,967,896)</u>	<u>(2,538,224)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	77,854,855
Series T	–	1,321,958
Series TH	–	974,790
Series TL	–	360,780
Premium Series	217,654,895	188,926,811
Premium T Series	4,874,710	4,122,022
Premium TH Series	2,801,278	5,261,404
Premium TL Series	152,406	584,966
Reinvested distributions		
Series T	–	27,645
Series TH	–	32,310
Series TL	–	1,106
Premium Series	11,091,463	1,805,101
Premium T Series	126,708	35,069
Premium TH Series	120,866	66,306
Premium TL Series	29	1,837

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(159,095,070)
Series T	–	(2,418,856)
Series TH	–	(4,009,206)
Series TL	–	(604,683)
Premium Series	(44,386,730)	(10,201,865)
Premium T Series	(2,505,657)	(812,776)
Premium TH Series	(4,295,799)	(1,117,509)
Premium TL Series	(319,877)	(169,952)
	<u>185,314,292</u>	<u>102,947,043</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(76,596,843)
Series T	–	(1,083,665)
Series TH	–	(3,074,740)
Series TL	–	(230,938)
Premium Series	158,854,274	181,891,571
Premium T Series	1,857,083	3,356,049
Premium TH Series	(2,165,231)	4,089,329
Premium TL Series	(202,136)	424,622
	<u>158,343,990</u>	<u>108,775,385</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Series T	–	–
Series TH	–	–
Series TL	–	–
Premium Series	387,530,090	228,675,816
Premium T Series	6,593,066	4,735,983
Premium TH Series	5,286,691	7,451,922
Premium TL Series	395,239	597,375
	<u>399,805,086</u>	<u>241,461,096</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(15,002,406)	8,366,566
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(9,346,607)	(2,224,921)
Change in unrealized (gain) loss on non-derivative financial assets	28,417,091	(4,183,931)
Other non-cash transactions	(10,324,643)	(5,635,133)
Purchases of non-derivative financial assets and liabilities	(168,265,584)	(157,908,260)
Proceeds from sale of non-derivative financial assets and liabilities	1,900,000	61,172,889
Accrued investment income and other	(2,906)	(495)
Accrued expenses and other payables	–	(7,634)
Net cash provided by (used in) operating activities	(172,625,055)	(100,420,919)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	224,674,649	126,214,151
Amounts paid on redemption of redeemable units	(51,031,209)	(24,568,339)
Distributions to unitholders of redeemable units	(611,936)	(583,804)
Net cash provided by (used in) financing activities	173,031,504	101,062,008
Net increase (decrease) in cash	406,449	641,089
Cash (bank overdraft), beginning of period	2,050,469	1,409,380
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,456,918</u>	<u>2,050,469</u>
Interest received, net of withholding taxes ⁽¹⁾	35,581	11,121

⁽¹⁾ Classified as operating items.

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

Scotia Aria Progressive Defend Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 37.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	1,860,037	38,985,140	37,158,140
Dynamic Small Business Fund Series O†	1,810,741	31,420,592	29,334,002
Scotia Canadian Dividend Fund Series I†	994,256	59,315,258	59,225,231
Scotia Private Canadian All Cap Equity Pool Series I†	2,480,260	25,641,541	22,547,300
		<u>155,362,531</u>	<u>148,264,673</u>
FIXED INCOME FUNDS – 35.4%			
CI Signature Corporate Bond Corporate Class, Class I	2,062,852	22,097,617	21,237,058
Dynamic Canadian Bond Fund Series O†	2,770,628	14,267,576	14,074,792
PIMCO Monthly Income Fund (Canada) Series I	1,536,503	21,800,790	21,314,373
Scotia Private Floating Rate Income Pool Series I†	3,628,264	35,861,905	35,440,159
Scotia Private Canadian Corporate Bond Pool Series I†	2,020,864	21,694,490	21,239,680
Scotia Total Return Bond LP Series I†	2,290,445	28,185,513	28,325,473
		<u>143,907,891</u>	<u>141,631,535</u>
FOREIGN EQUITY FUNDS – 26.7%			
Dynamic Global Infrastructure Fund Series O†	567,157	11,358,284	10,861,052
Scotia Global Low Volatility Equity LP Series I†	1,981,323	37,167,847	32,353,420
Scotia Private International Equity Pool Series I†	2,615,675	34,895,307	31,873,313
Scotia Private Options Income Pool Series I†	1,166,783	11,940,798	10,875,935
Scotia U.S. Low Volatility Equity LP Series I†	1,292,472	23,388,539	20,957,826
		<u>118,750,775</u>	<u>106,921,546</u>
TOTAL INVESTMENT PORTFOLIO		<u>418,021,197</u>	<u>396,817,754</u>
OTHER ASSETS, LESS LIABILITIES – 0.8%			2,987,332
NET ASSETS – 100.0%			<u>399,805,086</u>

† Investment in related party (note 10)

Scotia Aria Progressive Defend 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 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.2% (December 31, 2017 – 99.3%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$39,681,775 (December 31, 2017 – \$23,969,411). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	37.1	38.5
Fixed Income Funds	35.4	33.5
Foreign Equity Funds	26.7	27.3

Fair Value Classification (note 2)

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

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	396,817,754	–	–	396,817,754
	396,817,754	–	–	396,817,754

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	239,694,114	–	–	239,694,114
	239,694,114	–	–	239,694,114

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Progressive Defend Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Low Volatility Equity LP Series I	32,353,420	4.5
Scotia Private Canadian All Cap Equity Pool Series I	22,547,300	3.6
Scotia Private International Equity Pool Series I	31,873,313	3.3
Scotia U.S. Low Volatility Equity LP Series I	20,957,826	3.1
Dynamic Small Business Fund Series O	29,334,002	2.5
Scotia Private Floating Rate Income Pool Series I	35,440,159	2.4
Scotia Total Return Bond LP Series I	28,325,473	2.2
Scotia Private Options Income Pool Series I	10,875,935	1.4
Dynamic Canadian Bond Fund Series O	14,074,792	1.2
Dynamic Global Infrastructure Fund Series O	10,861,052	0.9
CI Cambridge Canadian Equity Corporate Class, Class I	37,158,140	0.8
CI Signature Corporate Bond Corporate Class, Class I	21,237,058	0.8
Scotia Canadian Dividend Fund Series I	59,225,231	0.6
Scotia Private Canadian Corporate Bond Pool Series I	21,239,680	0.4
PIMCO Monthly Income Fund (Canada) Series I	21,314,373	0.1
	396,817,754	

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

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

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	14,104,907	3.6
Scotia Global Low Volatility Equity LP Series I	20,137,206	1.9
Dynamic Small Business Fund Series O	18,336,841	1.6
Scotia Private Floating Rate Income Pool Series I	20,290,881	1.6
Scotia Total Return Bond LP Series I	16,145,743	1.6
Scotia Private International Equity Pool Series I	19,530,386	1.5
Scotia U.S. Low Volatility Equity LP Series I	12,764,394	1.3
Scotia Private Options Income Pool Series I	6,738,170	0.8
Dynamic Canadian Bond Fund Series O	8,078,971	0.6
Dynamic Global Infrastructure Fund Series O	6,740,464	0.6
CI Cambridge Canadian Equity Corporate Class, Class I	23,157,484	0.5
Scotia Canadian Dividend Fund Series I	37,202,108	0.4
CI Signature Corporate Bond Corporate Class, Class I	12,119,359	0.4
Scotia Private Canadian Corporate Bond Pool Series I	12,143,033	0.2
PIMCO Monthly Income Fund (Canada) Class I	12,204,167	0.1
	239,694,114	

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

Scotia Aria Progressive Pay Portfolio

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	82,829,691	51,584,896
Cash	593,581	435,501
Subscriptions receivable	372,433	145,400
Accrued investment income and other	1,139	524
	<u>83,796,844</u>	<u>52,166,321</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	60,000
Redemptions payable	558,850	330
Distributions payable	92,124	54,005
	<u>650,974</u>	<u>114,335</u>
Net assets attributable to holders of redeemable units	<u>83,145,870</u>	<u>52,051,986</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES		
Premium Series	66,481,452	36,486,472
Premium T Series	7,822,852	5,899,024
Premium TH Series	8,500,903	9,439,305
Premium TL Series	340,663	227,185
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
Premium Series	10.10	10.93
Premium T Series	13.54	15.10
Premium TH Series	12.18	13.97
Premium TL Series	14.96	16.35

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,652,658	861,017
Interest for distribution purposes	646,353	323,513
Net realized gain (loss) on non-derivative financial assets	1,145,697	1,347,972
Change in unrealized gain (loss) on non-derivative financial assets	(6,782,894)	780,637
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(3,338,186)	3,313,139
Other income	1,650	709
Total income (loss), net	<u>(3,336,536)</u>	<u>3,313,848</u>
EXPENSES		
Management fees (note 5)	1,119,239	615,068
Fixed administration fees (note 6)	69,952	38,421
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	–	12
Foreign withholding taxes/tax reclaims	91,885	46,259
Other fund costs	7,946	4,215
Harmonized Sales Tax/Goods and Services Tax	124,735	71,209
Total expenses	1,415,006	776,319
Expenses absorbed by the Manager	–	(1,311)
Net expenses	<u>1,415,006</u>	<u>775,008</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(4,751,542)</u>	<u>2,538,840</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES		
Series A	–	916,368
Series T	–	73,056
Series TH	–	193,917
Series TL	–	14,383
Premium Series	(3,734,321)	791,107
Premium T Series	(441,569)	253,190
Premium TH Series	(556,880)	294,459
Premium TL Series	(18,772)	2,360
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]		
Series A	–	0.64
Series T	–	0.94
Series TH	–	0.93
Series TL	–	1.19
Premium Series	(0.78)	0.71
Premium T Series	(0.91)	1.00
Premium TH Series	(0.71)	0.95
Premium TL Series	(1.25)	1.48
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES		
Series A	–	1,442,880
Series T	–	77,960
Series TH	–	208,207
Series TL	–	12,063
Premium Series	4,781,962	1,108,255
Premium T Series	485,815	254,294
Premium TH Series	785,098	309,876
Premium TL Series	15,072	1,600

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD		
Series A	–	9,715,095
Series T	–	945,231
Series TH	–	3,034,272
Series TL	–	279,555
Premium Series	36,486,472	8,291,333
Premium T Series	5,899,024	2,678,518
Premium TH Series	9,439,305	4,143,885
Premium TL Series	227,185	35,490
	<u>52,051,986</u>	<u>29,123,379</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS		
Series A	–	916,368
Series T	–	73,056
Series TH	–	193,917
Series TL	–	14,383
Premium Series	(3,734,321)	791,107
Premium T Series	(441,569)	253,190
Premium TH Series	(556,880)	294,459
Premium TL Series	(18,772)	2,360
	<u>(4,751,542)</u>	<u>2,538,840</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income		
Series T	–	(9,543)
Series TH	–	(29,198)
Series TL	–	(1,433)
Premium Series	(763,427)	(331,879)
Premium T Series	(71,406)	(34,568)
Premium TH Series	(31,984)	(49,612)
Premium TL Series	(4,663)	(241)
From net realized gains on investments		
Premium Series	(716,418)	–
Premium T Series	(86,057)	–
Premium TH Series	(96,503)	–
Premium TL Series	(3,754)	–
From return of capital		
Series T	–	(44,809)
Series TH	–	(169,788)
Series TL	–	(2,807)
Premium T Series	(212,090)	(162,309)
Premium TH Series	(704,602)	(288,502)
Premium TL Series	–	(472)
	<u>(2,690,904)</u>	<u>(1,125,161)</u>
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issue		
Series A	–	12,315,500
Series T	–	501,287
Series TH	–	1,073,504
Series TL	–	122,097
Premium Series	41,039,196	29,503,824
Premium T Series	4,111,088	3,571,286
Premium TH Series	5,378,982	6,563,326
Premium TL Series	258,327	220,160
Reinvested distributions		
Series T	–	9,015
Series TH	–	28,202
Series TL	–	1,616
Premium Series	1,467,308	331,615
Premium T Series	52,512	6,117
Premium TH Series	96,171	61,681
Premium TL Series	1,595	713

(in dollars)	2018	2017
Payments on redemption		
Series A	–	(22,946,963)
Series T	–	(1,474,237)
Series TH	–	(4,130,909)
Series TL	–	(413,411)
Premium Series	(7,297,358)	(2,099,528)
Premium T Series	(1,428,650)	(413,210)
Premium TH Series	(5,023,586)	(1,285,932)
Premium TL Series	(119,255)	(30,825)
	<u>38,536,330</u>	<u>21,514,928</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Series A	–	(9,715,095)
Series T	–	(945,231)
Series TH	–	(3,034,272)
Series TL	–	(279,555)
Premium Series	29,994,980	28,195,139
Premium T Series	1,923,828	3,220,506
Premium TH Series	(938,402)	5,295,420
Premium TL Series	113,478	191,695
	<u>31,093,884</u>	<u>22,928,607</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD		
Series A	–	–
Series T	–	–
Series TH	–	–
Series TL	–	–
Premium Series	66,481,452	36,486,472
Premium T Series	7,822,852	5,899,024
Premium TH Series	8,500,903	9,439,305
Premium TL Series	340,663	227,185
	<u>83,145,870</u>	<u>52,051,986</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable units	(4,751,542)	2,538,840
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(1,145,697)	(1,347,972)
Change in unrealized (gain) loss on non-derivative financial assets	6,782,894	(780,637)
Other non-cash transactions	(2,196,731)	(1,134,801)
Purchases of non-derivative financial assets and liabilities	(36,086,559)	(28,678,737)
Proceeds from sale of non-derivative financial assets and liabilities	1,341,300	8,753,653
Accrued investment income and other	(615)	(271)
Accrued expenses and other payables	–	(1,802)
Net cash provided by (used in) operating activities	<u>(36,056,950)</u>	<u>(20,651,727)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	49,084,626	28,128,036
Amounts paid on redemption of redeemable units	(11,834,396)	(7,021,441)
Distributions to unitholders of redeemable units	(1,035,200)	(690,832)
Net cash provided by (used in) financing activities	<u>36,215,030</u>	<u>20,415,763</u>
Net increase (decrease) in cash	158,080	(235,964)
Cash (bank overdraft), beginning of period	435,501	671,465
CASH (BANK OVERDRAFT), END OF PERIOD	<u>593,581</u>	<u>435,501</u>
Interest paid ⁽¹⁾	–	12
Interest received, net of withholding taxes ⁽¹⁾	9,779	3,200

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 34.7%			
CI Cambridge Canadian Equity Corporate Class, Class I	293,249	6,136,183	5,858,273
Dynamic Dividend Advantage Fund Series O [†]	636,902	4,634,996	4,318,197
Dynamic Small Business Fund Series O [†]	436,859	7,760,241	7,077,112
Scotia Canadian Dividend Fund Series I [†]	98,260	5,817,247	5,853,087
Scotia Private Canadian All Cap Equity Pool Series I [†]	630,008	6,539,374	5,727,213
		<u>30,888,041</u>	<u>28,833,882</u>
FIXED INCOME FUNDS – 30.3%			
1832 AM North American Preferred Share LP Series I [†]	344,769	4,359,473	3,891,645
PIMCO Monthly Income Fund (Canada) Series I	454,637	6,463,956	6,306,726
Scotia Private American Core-Plus Bond Pool Series I [†]	271,185	2,562,019	2,459,104
Scotia Private Canadian Corporate Bond Pool Series I [†]	478,785	5,136,144	5,032,125
Scotia Private High Yield Income Pool Series I [†]	608,687	5,533,713	5,006,634
Scotia Total Return Bond LP Series I [†]	203,957	2,509,348	2,522,295
		<u>26,564,653</u>	<u>25,218,529</u>
FOREIGN EQUITY FUNDS – 34.6%			
Dynamic Global Infrastructure Fund Series O [†]	74,147	1,402,220	1,419,921
Scotia Global Dividend Fund Series I [†]	572,946	9,617,095	8,587,254
Scotia Private International Equity Pool Series I [†]	716,271	9,595,448	8,728,120
Scotia Private Options Income Pool Series I [†]	462,749	4,744,597	4,313,426
Scotia Private Real Estate Income Pool Series I [†]	123,859	1,413,291	1,436,753
Scotia U.S. Dividend Growers LP Series I [†]	233,010	4,404,106	4,291,806
		<u>31,176,757</u>	<u>28,777,280</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>88,629,451</u></u>	<u><u>82,829,691</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>316,179</u>
NET ASSETS – 100.0%			<u><u>83,145,870</u></u>

† Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.6% (December 31, 2017 – 99.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$8,282,969 (December 31, 2017 – \$5,158,490). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	34.7	35.1
Fixed Income Funds	30.3	28.8
Foreign Equity Funds	34.6	35.2

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	82,829,691	–	–	82,829,691
	82,829,691	–	–	82,829,691

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	51,584,896	–	–	51,584,896
	51,584,896	–	–	51,584,896

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia Aria Progressive Pay Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM North American Preferred Share LP Series I	3,891,645	1.7
Scotia Global Dividend Fund Series I	8,587,254	1.1
Scotia Private Canadian All Cap Equity Pool Series I	5,727,213	0.9
Scotia Private International Equity Pool Series I	8,728,120	0.9
Scotia U.S. Dividend Growers LP Series I	4,291,806	0.8
Dynamic Dividend Advantage Fund Series O	4,318,197	0.7
Scotia Private High Yield Income Pool Series I	5,006,634	0.7
Dynamic Small Business Fund Series O	7,077,112	0.6
Scotia Private Options Income Pool Series I	4,313,426	0.6
Scotia Private Real Estate Income Pool Series I	1,436,753	0.4
Scotia Private American Core-Plus Bond Pool Series I	2,459,104	0.3
Scotia Total Return Bond LP Series I	2,522,295	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	5,858,273	0.1
Scotia Canadian Dividend Fund Series I	5,853,087	0.1
Scotia Private Canadian Corporate Bond Pool Series I	5,032,125	0.1
Dynamic Global Infrastructure Fund Series O	1,419,921	0.1
PIMCO Monthly Income Fund (Canada) Series I	6,306,726	0.0
	82,829,691	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	3,663,362	0.9
1832 AM North American Preferred Share LP Series I	2,258,675	0.8
Scotia Global Dividend Fund Series I	5,488,130	0.7
Scotia U.S. Dividend Growers LP Series I	2,735,488	0.5
Dynamic Small Business Fund Series O	4,568,453	0.4
Scotia Private International Equity Pool Series I	5,488,486	0.4
Dynamic Dividend Advantage Fund Series O	2,741,136	0.3
Scotia Private Options Income Pool Series I	2,758,659	0.3
Scotia Private Real Estate Income Pool Series I	930,020	0.3
Scotia Private American Core-Plus Bond Pool Series I	1,503,450	0.2
Scotia Private High Yield Income Pool Series I	2,992,227	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	3,640,399	0.1
Scotia Private Canadian Corporate Bond Pool Series I	2,991,716	0.1
Scotia Total Return Bond LP Series I	1,492,597	0.1
Dynamic Global Infrastructure Fund Series O	927,971	0.1
Scotia Canadian Dividend Fund Series I	3,644,129	0.0
PIMCO Monthly Income Fund (Canada) Class I	3,759,998	0.0
	51,584,896	

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

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

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

Scotia Aria Equity Build Portfolio

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018
ASSETS	
Current assets	
Financial assets at fair value through profit or loss (note 2)	
Non-derivative financial assets	15,998,313
Cash	287,774
Subscriptions receivable	524,283
Accrued investment income and other	874
	<u>16,811,244</u>
LIABILITIES	
Current liabilities	
Payable for securities purchased	368,600
Distributions payable	2,605
	<u>371,205</u>
Net assets attributable to holders of redeemable units	<u>16,440,039</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Premium Series	<u>16,440,039</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Premium Series	<u>9.50</u>

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2018
INCOME	
Dividends	289,658
Interest for distribution purposes	2,532
Net realized gain (loss) on non-derivative financial assets	243,442
Change in unrealized gain (loss) on non-derivative financial assets	(843,110)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(307,478)</u>
Total income (loss), net	<u>(307,478)</u>
EXPENSES	
Management fees (note 5)	25,213
Fixed administration fees (note 6)	1,484
Independent Review Committee fees	624
Foreign withholding taxes/tax reclaims	23,416
Other fund costs	1,960
Harmonized Sales Tax/Goods and Services Tax	2,854
Total expenses	<u>55,551</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(363,029)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Premium Series	<u>(363,029)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT [†]	
Premium Series	<u>(0.48)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Premium Series	754,894

[†] 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.

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

For the period ended December 31 (note 1),

(in dollars)	2018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Premium Series	—
	—
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Premium Series	<u>(363,029)</u>
	<u>(363,029)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net investment income	
Premium Series	(226,627)
From net realized gains on investments	
Premium Series	<u>(243,442)</u>
	<u>(470,069)</u>
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Premium Series	16,978,198
Reinvested distributions	
Premium Series	467,464
Payments on redemption	
Premium Series	<u>(172,525)</u>
	<u>17,273,137</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Premium Series	<u>16,440,039</u>
	<u>16,440,039</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Premium Series	<u>16,440,039</u>
	<u>16,440,039</u>

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	(363,029)
Adjustments for:	
Net realized (gain) loss on non-derivative financial assets	(243,442)
Change in unrealized (gain) loss on non-derivative financial assets	843,110
Other non-cash transactions	(266,891)
Purchases of non-derivative financial assets and liabilities	(15,962,490)
Accrued investment income and other	(874)
Net cash provided by (used in) operating activities	<u>(15,993,616)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	16,453,915
Amounts paid on redemption of redeemable units	<u>(172,525)</u>
Net cash provided by (used in) financing activities	<u>16,281,390</u>
Net increase (decrease) in cash	287,774
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>287,774</u>
Interest received, net of withholding taxes ⁽¹⁾	1,009

⁽¹⁾ Classified as operating items.

Scotia Aria Equity Build Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 38.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	157,137	3,269,640	3,139,140
Scotia Private Canadian All Cap Equity Pool Series I†	103,703	998,352	942,731
Scotia Private Canadian Mid Cap Pool Series I†	33,547	670,026	630,730
Scotia Private Canadian Small Cap Pool Series I†	48,608	1,715,162	1,576,993
		<u>6,653,180</u>	<u>6,289,594</u>
FOREIGN EQUITY FUNDS – 59.1%			
1832 AM Global Completion LP Series I†	65,154	996,362	950,946
Scotia Global Growth Fund Series I†	25,187	2,001,907	1,951,104
Scotia Private Emerging Markets Pool Series I†	140,763	1,474,403	1,458,695
Scotia Private Global Real Estate Pool Series I†	53,539	1,015,370	970,882
Scotia Private International Equity Pool Series I†	159,743	2,035,760	1,946,546
Scotia Private U.S. Mid Cap Value Pool Series I†	27,388	512,587	489,977
Scotia U.S. Dividend Growers LP Series I†	105,357	2,151,854	1,940,569
		<u>10,188,243</u>	<u>9,708,719</u>
TOTAL INVESTMENT PORTFOLIO		<u>16,841,423</u>	<u>15,998,313</u>
OTHER ASSETS, LESS LIABILITIES – 2.6%			<u>441,726</u>
NET ASSETS – 100.0%			<u>16,440,039</u>

† Investment in related party (note 10)

Scotia Aria Equity Build Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The portfolio invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world and aims to achieve long term capital appreciation. The portfolio's assets will be held primarily in equity securities. The portfolio can invest up to 100% of its assets in foreign 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. 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.

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, 2018. 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 direct currency risk exposure as at December 31, 2018.

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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 97.4% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,599,831. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

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, 2018
Canadian Equity Funds	38.3
Foreign Equity Funds	59.1

Fair Value Classification (note 2)

The table below illustrates the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	15,998,313	-	-	15,998,313
	15,998,313	-	-	15,998,313

Transfers between levels

During the period ended December 31, 2018, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian Mid Cap Pool Series I	630,730	0.5
Scotia Private U.S. Mid Cap Value Pool Series I	489,977	0.5
Scotia Private Emerging Markets Pool Series I	1,458,695	0.4
Scotia Private Canadian Small Cap Pool Series I	1,576,993	0.3
Scotia Private Global Real Estate Pool Series I	970,882	0.3
Scotia U.S. Dividend Growers LP Series I	1,940,569	0.3
1832 AM Global Completion LP Series I	950,946	0.2
Scotia Global Growth Fund Series I	1,951,104	0.2
Scotia Private International Equity Pool Series I	1,946,546	0.2
CI Cambridge Canadian Equity Corporate Class, Class I	3,139,140	0.1
Scotia Private Canadian All Cap Equity Pool Series I	942,731	0.1
	15,998,313	

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

As at December 31, 2018, 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 Equity Defend Portfolio

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018
ASSETS	
Current assets	
Financial assets at fair value through profit or loss (note 2)	
Non-derivative financial assets	10,352,923
Cash	187,457
Subscriptions receivable	349,797
Accrued investment income and other	529
	<u>10,890,706</u>
LIABILITIES	
Current liabilities	
Payable for securities purchased	304,400
Distributions payable	3,903
	<u>308,303</u>
Net assets attributable to holders of redeemable units	<u>10,582,403</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Premium Series	10,472,486
Premium T Series	36,639
Premium TH Series	36,638
Premium TL Series	36,640
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Premium Series	9.35
Premium T Series	13.90
Premium TH Series	13.90
Premium TL Series	13.90

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2018
INCOME	
Dividends	179,218
Interest for distribution purposes	9,871
Net realized gain (loss) on non-derivative financial assets	312,959
Change in unrealized gain (loss) on non-derivative financial assets	(709,013)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(206,965)
Total income (loss), net	(206,965)
EXPENSES	
Management fees (note 5)	16,440
Fixed administration fees (note 6)	967
Independent Review Committee fees	624
Foreign withholding taxes/tax reclaims	8,169
Other fund costs	2,869
Harmonized Sales Tax/Goods and Services Tax	2,003
Total expenses	<u>31,072</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(238,037)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Premium Series	(235,453)
Premium T Series	(861)
Premium TH Series	(863)
Premium TL Series	(860)
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]	
Premium Series	(0.49)
Premium T Series	(0.34)
Premium TH Series	(0.34)
Premium TL Series	(0.34)
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Premium Series	480,899
Premium T Series	2,510
Premium TH Series	2,515
Premium TL Series	2,506

[†] 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.

Scotia Aria Equity Defend Portfolio (Continued)

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

For the period ended December 31 (note 1),

(in dollars)	2018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Premium Series	—
Premium T Series	—
Premium TH Series	—
Premium TL Series	—
	<u>—</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Premium Series	(235,453)
Premium T Series	(861)
Premium TH Series	(863)
Premium TL Series	(860)
	<u>(238,037)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net investment income	
Premium Series	(137,626)
Premium T Series	(546)
Premium TH Series	(546)
Premium TL Series	(546)
From net realized gains on investments	
Premium Series	(308,858)
Premium T Series	(1,367)
Premium TH Series	(1,367)
Premium TL Series	(1,367)
	<u>(452,223)</u>
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Premium Series	10,752,362
Premium T Series	75,156
Premium TH Series	75,235
Premium TL Series	75,078
Reinvested distributions	
Premium Series	442,581
Premium T Series	1,757
Premium TH Series	1,679
Premium TL Series	1,835
Payments on redemption	
Premium Series	(40,520)
Premium T Series	(37,500)
Premium TH Series	(37,500)
Premium TL Series	(37,500)
	<u>11,272,663</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Premium Series	10,472,486
Premium T Series	36,639
Premium TH Series	36,638
Premium TL Series	36,640
	<u>10,582,403</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Premium Series	10,472,486
Premium T Series	36,639
Premium TH Series	36,638
Premium TL Series	36,640
	<u>10,582,403</u>

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	(238,037)
Adjustments for:	
Net realized (gain) loss on non-derivative financial assets	(312,959)
Change in unrealized (gain) loss on non-derivative financial assets	709,013
Other non-cash transactions	(179,626)
Purchases of non-derivative financial assets and liabilities	(10,264,950)
Accrued investment income and other	(529)
Net cash provided by (used in) operating activities	<u>(10,287,088)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	10,628,034
Amounts paid on redemption of redeemable units	(153,020)
Distributions to unitholders of redeemable units	(469)
Net cash provided by (used in) financing activities	<u>10,474,545</u>
Net increase (decrease) in cash	187,457
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>187,457</u>
Interest received, net of withholding taxes ⁽¹⁾	767

⁽¹⁾ Classified as operating items.

Scotia Aria Equity Defend Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 43.9%			
CI Cambridge Canadian Equity Corporate Class, Class I	58,153	1,209,547	1,161,737
Dynamic Small Business Fund Series O†	71,645	1,189,845	1,160,644
Scotia Canadian Dividend Fund Series I†	23,329	1,448,274	1,389,630
Scotia Private Canadian All Cap Equity Pool Series I†	102,301	984,593	929,987
		<u>4,832,259</u>	<u>4,641,998</u>
FIXED INCOME FUNDS – 9.8%			
PIMCO Monthly Income Fund (Canada) Series I	15,130	209,227	209,879
Scotia Private Floating Rate Income Pool Series I†	21,528	210,963	210,281
Scotia Private Canadian Corporate Bond Pool Series I†	19,861	207,180	208,738
Scotia Total Return Bond LP Series I†	32,863	402,285	406,406
		<u>1,029,655</u>	<u>1,035,304</u>
FOREIGN EQUITY FUNDS – 44.2%			
Dynamic Global Infrastructure Fund Series O†	24,949	498,418	477,781
Scotia Global Low Volatility Equity LP Series I†	83,940	1,613,068	1,370,667
Scotia Private International Equity Pool Series I†	117,333	1,493,328	1,429,755
Scotia Private Options Income Pool Series I†	51,122	516,325	476,524
Scotia U.S. Low Volatility Equity LP Series I†	56,792	1,078,883	920,894
		<u>5,200,022</u>	<u>4,675,621</u>
TOTAL INVESTMENT PORTFOLIO		<u>11,061,936</u>	<u>10,352,923</u>
OTHER ASSETS, LESS LIABILITIES – 2.1%			<u>229,480</u>
NET ASSETS – 100.0%			<u>10,582,403</u>

† Investment in related party (note 10)

Scotia Aria Equity Defend Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The portfolio invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world and aims to achieve long term capital appreciation through investments that the portfolio advisor assesses to be less volatile than that of broad markets. The portfolio's assets will be held primarily in equity securities. The portfolio can invest up to 100% of its assets in foreign 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. 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.

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, 2018. 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 direct currency risk exposure as at December 31, 2018.

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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 97.9% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,035,292. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

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, 2018
Canadian Equity Funds	43.9
Fixed Income Funds	9.8
Foreign Equity Funds	44.2

Fair Value Classification (note 2)

The table below illustrates the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	10,352,923	-	-	10,352,923
	10,352,923	-	-	10,352,923

Transfers between levels

During the period ended December 31, 2018, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Low Volatility Equity LP Series I	1,370,667	0.2
Dynamic Small Business Fund Series O	1,160,644	0.1
Scotia Private Canadian All Cap Equity Pool Series I	929,987	0.1
Scotia Private International Equity Pool Series I	1,429,755	0.1
Scotia Private Options Income Pool Series I	476,524	0.1
Scotia U.S. Low Volatility Equity LP Series I	920,894	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	1,161,737	0.0
Scotia Canadian Dividend Fund Series I	1,389,630	0.0
PIMCO Monthly Income Fund (Canada) Series I	209,879	0.0
Scotia Private Floating Rate Income Pool Series I	210,281	0.0
Scotia Private Canadian Corporate Bond Pool Series I	208,738	0.0
Scotia Total Return Bond LP Series I	406,406	0.0
Dynamic Global Infrastructure Fund Series O	477,781	0.0
	10,352,923	

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

As at December 31, 2018, 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 Equity Pay Portfolio

STATEMENT OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018
ASSETS	
Current assets	
Financial assets at fair value through profit or loss (note 2)	
Non-derivative financial assets	895,993
Cash	3,828
Receivable for securities sold	2,625
Subscriptions receivable	100
Accrued investment income and other	14
	<u>902,560</u>
LIABILITIES	
Current liabilities	
Distributions payable	420
	<u>420</u>
Net assets attributable to holders of redeemable units	<u>902,140</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER SERIES	
Premium Series	794,043
Premium T Series	36,032
Premium TH Series	36,033
Premium TL Series	<u>36,032</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT	
Premium Series	9.49
Premium T Series	14.23
Premium TH Series	14.14
Premium TL Series	<u>14.25</u>

STATEMENT OF COMPREHENSIVE INCOME

For the period ended December 31 (note 1),

(in dollars except average units)	2018
INCOME	
Dividends	13,868
Interest for distribution purposes	396
Net realized gain (loss) on non-derivative financial assets	1,479
Change in unrealized gain (loss) on non-derivative financial assets	<u>(49,351)</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(33,608)</u>
Total income (loss), net	<u>(33,608)</u>
EXPENSES	
Management fees (note 5)	2,164
Fixed administration fees (note 6)	128
Independent Review Committee fees	624
Foreign withholding taxes/tax reclaims	1,492
Harmonized Sales Tax/Goods and Services Tax	<u>268</u>
Total expenses	<u>4,676</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations	<u>(38,284)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER SERIES	
Premium Series	(33,880)
Premium T Series	(1,468)
Premium TH Series	(1,468)
Premium TL Series	<u>(1,468)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT[†]	
Premium Series	(0.62)
Premium T Series	(0.59)
Premium TH Series	(0.58)
Premium TL Series	<u>(0.59)</u>
WEIGHTED AVERAGE NUMBER OF UNITS PER SERIES	
Premium Series	54,302
Premium T Series	2,509
Premium TH Series	2,513
Premium TL Series	<u>2,505</u>

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

Scotia Aria Equity Pay Portfolio (Continued)

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

For the period ended December 31 (note 1),

(in dollars)	2018
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	
Premium Series	—
Premium T Series	—
Premium TH Series	—
Premium TL Series	—
	<u>—</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS	
Premium Series	(33,880)
Premium T Series	(1,468)
Premium TH Series	(1,468)
Premium TL Series	(1,468)
	<u>(38,284)</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	
From net investment income	
Premium Series	(8,876)
Premium T Series	(358)
Premium TH Series	(358)
Premium TL Series	(358)
From net realized gains on investments	
Premium Series	(1,354)
Premium T Series	(61)
Premium TH Series	(61)
Premium TL Series	(61)
From return of capital	
Premium T Series	(51)
Premium TH Series	(288)
	<u>(11,826)</u>
REDEEMABLE UNIT TRANSACTIONS	
Proceeds from issue	
Premium Series	871,052
Premium T Series	75,156
Premium TH Series	75,235
Premium TL Series	75,078
Reinvested distributions	
Premium Series	9,810
Premium T Series	314
Premium TH Series	473
Premium TL Series	341
Payments on redemption	
Premium Series	(42,709)
Premium T Series	(37,500)
Premium TH Series	(37,500)
Premium TL Series	(37,500)
	<u>952,250</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	
Premium Series	794,043
Premium T Series	36,032
Premium TH Series	36,033
Premium TL Series	36,032
	<u>902,140</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	
Premium Series	794,043
Premium T Series	36,032
Premium TH Series	36,033
Premium TL Series	36,032
	<u>902,140</u>

STATEMENT OF CASH FLOWS

For the period ended December 31 (note 1),

(in dollars)	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in net assets attributable to holders of redeemable units	(38,284)
Adjustments for:	
Net realized (gain) loss on non-derivative financial assets	(1,479)
Change in unrealized (gain) loss on non-derivative financial assets	49,351
Other non-cash transactions	(12,453)
Purchases of non-derivative financial assets and liabilities	(1,027,799)
Proceeds from sale of non-derivative financial assets and liabilities	93,762
Accrued investment income and other	(14)
	<u>(936,916)</u>
Net cash provided by (used in) operating activities	
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units	1,096,421
Amounts paid on redemption of redeemable units	(155,209)
Distributions to unitholders of redeemable units	(468)
	<u>940,744</u>
Net cash provided by (used in) financing activities	
Net increase (decrease) in cash	3,828
Cash (bank overdraft), beginning of period	—
	<u>3,828</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,828</u>
Interest received, net of withholding taxes ⁽¹⁾	306

⁽¹⁾ Classified as operating items.

Scotia Aria Equity Pay Portfolio (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 44.1%			
CI Cambridge Canadian Equity Corporate Class, Class I	3,997	85,042	79,844
Dynamic Dividend Advantage Fund Series O†	8,836	62,940	59,909
Dynamic Small Business Fund Series O†	6,118	103,079	99,103
Scotia Canadian Dividend Fund Series I†	1,322	83,028	78,731
Scotia Private Canadian All Cap Equity Pool Series I†	8,816	87,399	80,142
		<u>421,488</u>	<u>397,729</u>
FOREIGN EQUITY FUNDS – 55.2%			
Dynamic Global Infrastructure Fund Series O†	1,272	25,521	24,354
Scotia Global Dividend Fund Series I†	9,865	161,215	147,856
Scotia Private International Equity Pool Series I†	12,329	159,310	150,237
Scotia Private Options Income Pool Series I†	5,360	55,235	49,962
Scotia Private Real Estate Income Pool Series I†	2,099	25,075	24,353
Scotia Private U.S. Dividend Pool Series I†	4,259	97,500	101,502
		<u>523,856</u>	<u>498,264</u>
TOTAL INVESTMENT PORTFOLIO		<u>945,344</u>	<u>895,993</u>
OTHER ASSETS, LESS LIABILITIES – 0.7%			<u>6,147</u>
NET ASSETS – 100.0%			<u>902,140</u>

† Investment in related party (note 10)

Scotia Aria Equity Pay Portfolio (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The portfolio invests primarily in a diversified mix of mutual funds and/or equity securities located anywhere in the world and aims to generate income and long term capital appreciation through a wide variety of equity securities, including income producing equities. The portfolio's assets will be held primarily in equity securities. The portfolio can invest up to 100% of its assets in foreign 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. 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.

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, 2018. 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 direct currency risk exposure as at December 31, 2018.

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. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.3% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$89,599. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

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, 2018
Canadian Equity Funds	44.1
Foreign Equity Funds	55.2

Fair Value Classification (note 2)

The table below illustrates the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	895,993	-	-	895,993
	895,993	-	-	895,993

Transfers between levels

During the period ended December 31, 2018, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
CI Cambridge Canadian Equity Corporate Class, Class I	79,844	0.0
Dynamic Dividend Advantage Fund Series O	59,909	0.0
Dynamic Small Business Fund Series O	99,103	0.0
Scotia Canadian Dividend Fund Series I	78,731	0.0
Scotia Private Canadian All Cap Equity Pool Series I	80,142	0.0
Dynamic Global Infrastructure Fund Series O	24,354	0.0
Scotia Global Dividend Fund Series I	147,856	0.0
Scotia Private International Equity Pool Series I	150,237	0.0
Scotia Private Options Income Pool Series I	49,962	0.0
Scotia Private Real Estate Income Pool Series I	24,353	0.0
Scotia Private U.S. Dividend Pool Series I	101,502	0.0
	895,993	

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

As at December 31, 2018, 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, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	125,441,403	135,758,926
Cash	–	342,959
Receivable for securities sold	342,000	–
Subscriptions receivable	24,558	84,485
Accrued investment income and other	166	175
	<u>125,808,127</u>	<u>136,186,545</u>
LIABILITIES		
Current liabilities		
Bank overdraft	320,186	–
Payable for securities purchased	–	359,000
Redemptions payable	116,347	16,669
Distributions payable	80,881	64,610
	<u>517,414</u>	<u>440,279</u>
Net assets attributable to holders of redeemable shares	<u>125,290,713</u>	<u>135,746,266</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	125,290,713	135,746,266
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>13.86</u>	<u>14.87</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	3,532,020	3,191,336
Interest for distribution purposes	1,591	1,107
Net realized gain (loss) on non-derivative financial assets	3,832,277	2,652,289
Change in unrealized gain (loss) on non-derivative financial assets	(10,587,814)	9,343,431
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(3,221,926)	15,188,163
Other income	1,429	784
Total income (loss), net	<u>(3,220,497)</u>	<u>15,188,947</u>
EXPENSES		
Management fees (note 5)	1,959,315	1,839,249
Fixed administration fees (note 6)	130,621	122,616
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,865	1,002
Harmonized Sales Tax/Goods and Services Tax	217,771	205,407
Total expenses	<u>2,310,821</u>	<u>2,169,409</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(5,531,318)</u>	<u>13,019,538</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(5,531,318)</u>	<u>13,019,538</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.63)</u>	<u>1.53</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	8,773,164	8,518,215

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	135,746,266	112,969,027
	<u>135,746,266</u>	<u>112,969,027</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(5,531,318)	13,019,538
	<u>(5,531,318)</u>	<u>13,019,538</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(3,532,018)	(3,191,333)
	<u>(3,532,018)</u>	<u>(3,191,333)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	25,126,601	34,868,513
Reinvested distributions		
Series A	3,446,565	3,126,723
Payments on redemption		
Series A	(29,965,383)	(25,046,202)
	<u>(1,392,217)</u>	<u>12,949,034</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(10,455,553)	22,777,239
	<u>(10,455,553)</u>	<u>22,777,239</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	125,290,713	135,746,266
	<u>125,290,713</u>	<u>135,746,266</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(5,531,318)	13,019,538
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(3,832,277)	(2,652,289)
Change in unrealized (gain) loss on non-derivative financial assets	10,587,814	(9,343,431)
Other non-cash transactions	(3,532,020)	(3,191,336)
Purchases of non-derivative financial assets and liabilities	(13,740,000)	(21,331,020)
Proceeds from sale of non-derivative financial assets and liabilities	20,133,006	13,893,000
Accrued investment income and other	9	(117)
Accrued expenses and other payables	–	(5,468)
Net cash provided by (used in) operating activities	4,085,214	(9,611,123)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	25,186,528	34,890,213
Amounts paid on redemption of redeemable shares	(29,865,705)	(25,059,334)
Distributions to shareholders of redeemable shares	(69,182)	(54,255)
Net cash provided by (used in) financing activities	(4,748,359)	9,776,624
Net increase (decrease) in cash	(663,145)	165,501
Cash (bank overdraft), beginning of period	342,959	177,458
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(320,186)</u>	<u>342,959</u>
Interest paid ⁽¹⁾	1,865	1,002
Interest received, net of withholding taxes ⁽¹⁾	1,601	988

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 100.1%			
Scotia Canadian Dividend Fund Series I [†]	2,105,873	<u>108,297,623</u>	<u>125,441,403</u>
TOTAL INVESTMENT PORTFOLIO		<u>108,297,623</u>	<u>125,441,403</u>
OTHER ASSETS, LESS LIABILITIES – (0.1%)			<u>(150,690)</u>
NET ASSETS – 100.0%			<u>125,290,713</u>

[†] Investment in related party (note 10)

Scotia Canadian Dividend Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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

Below is a summary of the Underlying Fund's exposure to interest rate risk by the remaining term to maturity of the Underlying Fund's portfolio, excluding preferred shares, cash and overdrafts, as applicable.

Interest rate exposure	December 31, 2018 (\$)	December 31, 2017 (\$)
Less than 1 year	7,318,743	–
1-3 years	–	–
3-5 years	–	–
5-10 years	–	–
> 10 years	–	–
	7,318,743	–

As at December 31, 2018, had the prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve and all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$18,266 or approximately 0.0% (December 31, 2017 – nil or approximately 0.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

Below is a summary of the Fund's proportionate share of the Underlying Fund's exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Underlying Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	41,190,984	(33,099,961)	8,091,022	6.5
	41,190,984	(33,099,961)	8,091,022	6.5

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
US Dollar	48,986,708	(34,688,429)	14,298,279	10.5
Total	48,986,708	(34,688,429)	14,298,279	10.5

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by \$809,102 or 0.7% (December 31, 2017 – \$1,429,828 or 1.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 87.4% (December 31, 2017 – 90.1%) of the Underlying Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$10,949,281 (December 31, 2017 – \$12,240,445). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

Below is a summary of the credit ratings of bonds and debentures, money market instruments and preferred shares held by the Underlying Fund, as applicable. The Underlying Fund did not have significant direct credit risk exposure as at December 31, 2017.

Credit ratings	December 31, 2018		December 31, 2017	
	Percentage of total credit rated instruments (%)	Percentage of net assets (%)	Percentage of total credit rated instruments (%)	Percentage of net assets (%)
A-1+	50.0	2.9	–	–
A-1	50.0	2.9	–	–
	100.0	5.8	–	–

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. Below is a summary of the Underlying Fund's concentration risk by carrying value as a percentage of net assets.

Scotia Canadian Dividend Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Bankers' Acceptances	5.8	–
Communication Services	7.6	–
Consumer Discretionary	1.8	5.6
Consumer Staples	8.6	8.0
Energy	12.9	11.0
Financials	22.0	22.0
Health Care	7.9	7.5
Industrials	7.4	8.5
Information Technology	8.6	8.0
Materials	1.7	1.4
Real Estate	2.9	3.3
Telecommunication Services	–	7.9
Utilities	6.0	6.9

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

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

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying fund	125,441,403	–	–	125,441,403
	125,441,403	–	–	125,441,403

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying fund	135,758,926	–	–	135,758,926
	135,758,926	–	–	135,758,926

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	125,441,403	1.4
	125,441,403	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Dividend Fund Series I	135,758,926	1.4
	135,758,926	

Scotia Canadian Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	1,979,775	2,110,122
Cash	5,507	–
Receivable for securities sold	–	37,200
Subscriptions receivable	1,600	1,100
Accrued investment income and other	11	11
	<u>1,986,893</u>	<u>2,148,433</u>
LIABILITIES		
Current liabilities		
Bank overdraft	–	31,067
Distributions payable	336	259
	<u>336</u>	<u>31,326</u>
Net assets attributable to holders of redeemable shares	<u>1,986,557</u>	<u>2,117,107</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>1,986,557</u>	<u>2,117,107</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>13.25</u>	<u>14.86</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	25,252	22,159
Interest for distribution purposes	200	92
Net realized gain (loss) on non-derivative financial assets	73,624	94,987
Change in unrealized gain (loss) on non-derivative financial assets	(274,962)	71,023
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(175,886)	188,261
Other income	101	14
Total income (loss), net	<u>(175,785)</u>	<u>188,275</u>
EXPENSES		
Management fees (note 5)	36,351	36,976
Fixed administration fees (note 6)	3,116	3,165
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	42	50
Harmonized Sales Tax/Goods and Services Tax	4,337	4,367
Total expenses	<u>45,095</u>	<u>45,693</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(220,880)</u>	<u>142,582</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(220,880)</u>	<u>142,582</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE [†]		
Series A	<u>(1.56)</u>	<u>0.97</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	141,924	146,650

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,117,107	2,081,203
	<u>2,117,107</u>	<u>2,081,203</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(220,880)	142,582
	<u>(220,880)</u>	<u>142,582</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(24,937)	(22,159)
	<u>(24,937)</u>	<u>(22,159)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	519,135	357,971
Reinvested distributions		
Series A	24,601	21,900
Payments on redemption		
Series A	(428,469)	(464,390)
	<u>115,267</u>	<u>(84,519)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(130,550)	35,904
	<u>(130,550)</u>	<u>35,904</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	1,986,557	2,117,107
	<u>1,986,557</u>	<u>2,117,107</u>
STATEMENTS OF CASH FLOWS		
For the periods ended December 31 (note 1),		
(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares		
	(220,880)	142,582
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(73,624)	(94,987)
Change in unrealized (gain) loss on non-derivative financial assets	274,962	(71,023)
Other non-cash transactions	(25,252)	(22,159)
Purchases of non-derivative financial assets and liabilities	(395,199)	(221,700)
Proceeds from sale of non-derivative financial assets and liabilities	386,660	329,060
Accrued investment income and other	–	(6)
Accrued expenses and other payables	–	(126)
Net cash provided by (used in) operating activities	<u>(53,333)</u>	<u>61,641</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares		
	518,635	363,401
Amounts paid on redemption of redeemable shares		
	(428,469)	(464,390)
Distributions to shareholders of redeemable shares		
	(259)	(390)
Net cash provided by (used in) financing activities	<u>89,907</u>	<u>(101,379)</u>
Net increase (decrease) in cash		
	36,574	(39,738)
Cash (bank overdraft), beginning of period		
	(31,067)	8,671
CASH (BANK OVERDRAFT), END OF PERIOD	<u>5,507</u>	<u>(31,067)</u>
Interest paid ⁽¹⁾	42	50
Interest received, net of withholding taxes ⁽¹⁾	199	86

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 99.7%			
CI Cambridge Canadian Equity Corporate Class, Class I	29,948	577,198	598,283
Dynamic Dividend Advantage Fund Series O [†]	58,859	433,369	399,063
Dynamic Small Business Fund Series O [†]	24,539	402,656	397,530
Scotia Canadian Equity Fund Series I [†]	10,846	380,040	399,323
Scotia Private Canadian Small Cap Pool Series I [†]	5,720	203,402	185,576
		<u>1,996,665</u>	<u>1,979,775</u>
TOTAL INVESTMENT PORTFOLIO		<u>1,996,665</u>	<u>1,979,775</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			6,782
NET ASSETS – 100.0%			<u>1,986,557</u>

[†] Investment in related party (note 10)

Scotia Canadian 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 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$197,978 (December 31, 2017 – \$211,012). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity 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, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	1,979,775	–	–	1,979,775
	1,979,775	–	–	1,979,775

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	2,110,122	–	–	2,110,122
	2,110,122	–	–	2,110,122

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Canadian Equity Fund Series I	399,323	0.2
Dynamic Dividend Advantage Fund Series O	399,063	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	598,283	0.0
Dynamic Small Business Fund Series O	397,530	0.0
Scotia Private Canadian Small Cap Pool Series I	185,576	0.0
	1,979,775	

Scotia Canadian Equity Blend Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Dynamic Dividend Advantage Fund Series O	421,866	0.1
Scotia Canadian Equity Fund Series I	421,856	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	631,172	0.0
Dynamic Small Business Fund Series O	423,091	0.0
Scotia Private Canadian Small Cap Pool Series I	212,137	0.0
	2,110,122	

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

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

Scotia U.S. Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	7,706,034	5,190,484
Cash	74,026	31,807
Subscriptions receivable	1,950	1,225
Accrued investment income and other	164	33
	<u>7,782,174</u>	<u>5,223,549</u>
LIABILITIES		
Current liabilities		
Redemptions payable	—	15,539
	<u>—</u>	<u>15,539</u>
Net assets attributable to holders of redeemable shares	<u>7,782,174</u>	<u>5,208,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>7,782,174</u>	<u>5,208,010</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>21.17</u>	<u>19.40</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	87,220	55,107
Interest for distribution purposes	984	192
Net realized gain (loss) on non-derivative financial assets	264,696	126,230
Change in unrealized gain (loss) on non-derivative financial assets	257,240	583,958
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	610,140	765,487
Other income	77	4
Total income (loss), net	<u>610,217</u>	<u>765,491</u>
EXPENSES		
Management fees (note 5)	118,724	89,670
Fixed administration fees (note 6)	13,568	10,216
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	45	115
Foreign withholding taxes/tax reclaims	13,036	7,791
Harmonized Sales Tax/Goods and Services Tax	13,586	9,819
Total expenses	<u>160,208</u>	<u>118,746</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>450,009</u>	<u>646,745</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>450,009</u>	<u>646,745</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>1.43</u>	<u>2.30</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	313,984	281,302

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	5,208,010	5,559,669
	<u>5,208,010</u>	<u>5,559,669</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	450,009	646,745
	<u>450,009</u>	<u>646,745</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	3,331,029	662,933
Payments on redemption		
Series A	(1,206,874)	(1,661,337)
	<u>2,124,155</u>	<u>(998,404)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	2,574,164	(351,659)
	<u>2,574,164</u>	<u>(351,659)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	7,782,174	5,208,010
	<u>7,782,174</u>	<u>5,208,010</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	450,009	646,745
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(264,696)	(126,230)
Change in unrealized (gain) loss on non-derivative financial assets	(257,240)	(583,958)
Other non-cash transactions	(74,184)	(47,316)
Purchases of non-derivative financial assets and liabilities	(2,428,500)	(241,799)
Proceeds from sale of non-derivative financial assets and liabilities	509,070	1,375,455
Accrued investment income and other	(131)	(28)
Accrued expenses and other payables	—	(362)
Net cash provided by (used in) operating activities	<u>(2,065,672)</u>	<u>1,022,507</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	3,330,304	672,333
Amounts paid on redemption of redeemable shares	(1,222,413)	(1,645,798)
Net cash provided by (used in) financing activities	2,107,891	(973,465)
Net increase (decrease) in cash	42,219	49,042
Cash (bank overdraft), beginning of period	31,807	(17,235)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>74,026</u>	<u>31,807</u>
Interest paid ⁽¹⁾	45	115
Interest received, net of withholding taxes ⁽¹⁾	853	163

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FOREIGN EQUITY FUNDS – 99.0%			
Dynamic Power American Growth Fund Series O [†]	45,608	865,134	1,058,113
Scotia Private U.S. Large Cap Growth Pool Series I [†]	103,002	1,978,579	2,740,118
Scotia Private U.S. Value Pool Series I [†]	164,869	2,686,374	2,736,876
Scotia U.S. Opportunities Fund Series I [†]	70,636	1,096,253	1,170,927
		6,626,340	7,706,034
TOTAL INVESTMENT PORTFOLIO		6,626,340	7,706,034
OTHER ASSETS, LESS LIABILITIES – 1.0%			76,140
NET ASSETS – 100.0%			7,782,174

[†] Investment in related party (note 10)

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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.0% (December 31, 2017 – 99.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$770,603 (December 31, 2017 – \$519,048). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Foreign Equity Funds	99.0	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, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	7,706,034	–	–	7,706,034
	7,706,034	–	–	7,706,034

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying funds	5,190,484	–	–	5,190,484
	5,190,484	–	–	5,190,484

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Opportunities Fund Series I	1,170,927	4.9
Scotia Private U.S. Value Pool Series I	2,736,876	2.1
Scotia Private U.S. Large Cap Growth Pool Series I	2,740,118	0.8
Dynamic Power American Growth Fund Series O	1,058,113	0.1
	7,706,034	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia U.S. Opportunities Fund Series I	780,764	2.9
Scotia Private U.S. Value Pool Series I	1,849,671	1.5
Scotia Private U.S. Large Cap Growth Pool Series I	1,773,137	0.6
Dynamic Power American Growth Fund Series O	786,912	0.1
	5,190,484	

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

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

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

Scotia Global Dividend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	19,758,569	22,170,120
Receivable for securities sold	19,000	15,000
Subscriptions receivable	2,248	1,448
Accrued investment income and other	26	28
	<u>19,779,843</u>	<u>22,186,596</u>
LIABILITIES		
Current liabilities		
Bank overdraft	18,603	12,368
Redemptions payable	—	1,000
Distributions payable	1,791	1,790
	<u>20,394</u>	<u>15,158</u>
Net assets attributable to holders of redeemable shares	<u>19,759,449</u>	<u>22,171,438</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	<u>19,759,449</u>	<u>22,171,438</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>17.82</u>	<u>18.84</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	558,759	530,005
Interest for distribution purposes	331	121
Net realized gain (loss) on non-derivative financial assets	576,394	2,661,728
Change in unrealized gain (loss) on non-derivative financial assets	(1,719,111)	(526,188)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(583,627)	2,665,666
Other income	574	117
Total income (loss), net	<u>(583,053)</u>	<u>2,665,783</u>
EXPENSES		
Management fees (note 5)	321,554	324,932
Fixed administration fees (note 6)	64,311	64,466
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	432	327
Foreign withholding taxes/tax reclaims	69,590	64,226
Harmonized Sales Tax/Goods and Services Tax	39,165	39,991
Total expenses	<u>496,301</u>	<u>495,077</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(1,079,354)</u>	<u>2,170,706</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(1,079,354)</u>	<u>2,170,706</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.96)</u>	<u>1.85</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,126,914	1,175,884

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	22,171,438	21,041,459
	<u>22,171,438</u>	<u>21,041,459</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(1,079,354)	2,170,706
	<u>(1,079,354)</u>	<u>2,170,706</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(76,832)	(74,187)
	<u>(76,832)</u>	<u>(74,187)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	3,275,829	3,356,059
Reinvested distributions		
Series A	75,042	72,397
Payments on redemption		
Series A	(4,606,674)	(4,394,996)
	<u>(1,255,803)</u>	<u>(966,540)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(2,411,989)	1,129,979
	<u>(2,411,989)</u>	<u>1,129,979</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	19,759,449	22,171,438
	<u>19,759,449</u>	<u>22,171,438</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares		
	(1,079,354)	2,170,706
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(576,394)	(2,661,728)
Change in unrealized (gain) loss on non-derivative financial assets	1,719,111	526,188
Other non-cash transactions	(489,169)	(465,780)
Purchases of non-derivative financial assets and liabilities	(2,534,000)	(2,438,994)
Proceeds from sale of non-derivative financial assets and liabilities	4,288,003	3,901,000
Accrued investment income and other	2	(26)
Accrued expenses and other payables	—	(1,462)
Net cash provided by (used in) operating activities	1,328,199	1,029,904
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares		
	3,275,029	3,360,221
Amounts paid on redemption of redeemable shares		
	(4,607,674)	(4,395,996)
Distributions to shareholders of redeemable shares		
	(1,789)	(1,038)
Net cash provided by (used in) financing activities	(1,334,434)	(1,036,813)
Net increase (decrease) in cash		
	(6,235)	(6,909)
Cash (bank overdraft), beginning of period		
	(12,368)	(5,459)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(18,603)</u>	<u>(12,368)</u>
Interest paid ⁽¹⁾	432	327
Interest received, net of withholding taxes ⁽¹⁾	335	94

⁽¹⁾ Classified as operating items.

Scotia Global Dividend Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

<u>Issuer</u>	<u>Number of Units</u>	<u>Average Cost (\$)</u>	<u>Carrying Value (\$)</u>
FOREIGN EQUITY FUNDS – 100.0%			
Scotia Global Dividend Fund Series I†	1,318,301	20,649,405	19,758,569
TOTAL INVESTMENT PORTFOLIO		<u>20,649,405</u>	<u>19,758,569</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			880
NET ASSETS – 100.0%			<u>19,759,449</u>

† Investment in related party (note 10)

Scotia Global Dividend Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment objective is to achieve high total investment return. It invests primarily in equity securities of companies anywhere in the world that pays, or may be expected to pay, dividends as well as in other types of securities that may be expected to distribute income.

The Fund invests in Scotia Global Dividend Fund Series I (the "Underlying Fund"). The significant risk exposures of the Underlying Fund and the Fund's sensitivities to these exposures are indicated below.

Risks associated with financial instruments (note 4)

Interest rate risk

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

Currency risk

Below is a summary of the Fund's proportionate share of the Underlying Fund's exposure to currency risk. Amounts shown are based on the carrying value of monetary and non-monetary assets and liabilities of the Underlying Fund net of currency contracts, as applicable.

Currency	December 31, 2018			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
British Pound	1,242,346	(456,263)	786,083	4.0
Danish Krone	6,368	–	6,368	0.0
European Euro	3,606,074	(736,070)	2,870,004	14.5
Hong Kong Dollar	479,135	–	479,135	2.4
Japanese Yen	853,435	(240,966)	612,469	3.1
Swedish Krona	423,322	–	423,322	2.1
Swiss Franc	638,715	(232,064)	406,651	2.1
US Dollar	9,398,090	(1,942,174)	7,455,916	37.7
	16,647,485	(3,607,537)	13,039,948	65.9

Currency	December 31, 2017			
	Gross currency exposure (\$)	Currency contracts (\$)	Net exposure (\$)	Percentage of net assets (%)
British Pound	2,947,599	(1,449,027)	1,498,572	6.8
Danish Krone	233,221	–	233,221	1.1
European Euro	3,252,320	(996,940)	2,255,379	10.2
Hong Kong Dollar	420,261	–	420,261	1.9
Japanese Yen	816,039	(208,449)	607,590	2.7
Swedish Krona	466,306	–	466,306	2.1
Swiss Franc	313,017	(111,537)	201,480	0.9
US Dollar	10,558,464	(2,564,671)	7,993,794	36.1
	19,007,227	(5,330,624)	13,676,603	61.8

If the Canadian dollar strengthened or weakened by 10% in relation to all other currencies, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively by \$1,303,995 or 6.6% (December 31, 2017 – \$1,367,660 or 6.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 86.3% (December 31, 2017 – 92.1%) of the Underlying Fund's net assets were exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,704,533 (December 31, 2017 – \$2,041,223). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. 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, 2018	December 31, 2017
Belgium	2.3	2.0
Canada	4.7	7.0
Denmark	–	1.1
France	4.3	2.7
Germany	4.5	5.4
Hong Kong	2.3	1.9
Japan	4.2	3.6
Netherlands	5.2	2.0
Spain	1.7	2.6
Sweden	2.1	2.1
Switzerland	3.2	1.4
United Kingdom	5.7	13.1
United States	46.1	47.2

Fair Value Classification (note 2)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying fund	19,758,569	–	–	19,758,569
	19,758,569	–	–	19,758,569

December 31, 2017	Level 1	Level 2	Level 3	Total
	(\$)	(\$)	(\$)	(\$)
Underlying fund	22,170,120	–	–	22,170,120
	22,170,120	–	–	22,170,120

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

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	19,758,569	2.5
	19,758,569	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Global Dividend Fund Series I	22,170,120	2.8
	22,170,120	

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

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

Scotia International Equity Blend Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	839,488	763,750
Cash	3,199	2,676
Subscriptions receivable	1,250	315
Accrued investment income and other	10	2
	<u>843,947</u>	<u>766,743</u>
Net assets attributable to holders of redeemable shares	<u>843,947</u>	<u>766,743</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	843,947	766,743
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	<u>13.74</u>	<u>15.25</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	23,005	17,171
Interest for distribution purposes	92	36
Net realized gain (loss) on non-derivative financial assets	21,797	18,265
Change in unrealized gain (loss) on non-derivative financial assets	(104,664)	96,328
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(59,770)	131,800
Other income	–	205
Total income (loss), net	<u>(59,770)</u>	<u>132,005</u>
EXPENSES		
Management fees (note 5)	13,112	12,559
Fixed administration fees (note 6)	2,315	2,146
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	26	11
Foreign withholding taxes/tax reclaims	–	2,300
Harmonized Sales Tax/Goods and Services Tax	1,668	1,693
Total expenses	<u>18,370</u>	<u>19,844</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(78,140)</u>	<u>112,161</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(78,140)</u>	<u>112,161</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(1.58)</u>	<u>2.24</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	49,612	50,010

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	766,743	631,444
	<u>766,743</u>	<u>631,444</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(78,140)	112,161
	<u>(78,140)</u>	<u>112,161</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(120)	–
	<u>(120)</u>	<u>–</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	327,457	181,065
Reinvested distributions		
Series A	118	–
Payments on redemption		
Series A	(172,111)	(157,927)
	<u>155,464</u>	<u>23,138</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	77,204	135,299
	<u>77,204</u>	<u>135,299</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	843,947	766,743
	<u>843,947</u>	<u>766,743</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(78,140)	112,161
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(21,797)	(18,265)
Change in unrealized (gain) loss on non-derivative financial assets	104,664	(96,328)
Other non-cash transactions	(23,005)	(14,871)
Purchases of non-derivative financial assets and liabilities	(282,400)	(129,140)
Proceeds from sale of non-derivative financial assets and liabilities	146,800	119,701
Accrued investment income and other	(8)	–
Accrued expenses and other payables	–	(113)
Net cash provided by (used in) operating activities	(153,886)	(26,855)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	326,522	181,400
Amounts paid on redemption of redeemable shares	(172,111)	(157,927)
Distributions to shareholders of redeemable shares	(2)	(12)
Net cash provided by (used in) financing activities	154,409	23,461
Net increase (decrease) in cash	523	(3,394)
Cash (bank overdraft), beginning of period	2,676	6,070
CASH (BANK OVERDRAFT), END OF PERIOD	<u>3,199</u>	<u>2,676</u>
Interest paid ⁽¹⁾	26	11
Interest received, net of withholding taxes ⁽¹⁾	82	35

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
FOREIGN EQUITY FUNDS – 99.5%			
Scotia International Equity Fund Series I [†]	18,013	158,910	168,540
Scotia Private Emerging Markets Pool Series I [†]	8,145	83,452	84,400
Scotia Private International Equity Pool Series I [†]	41,338	520,801	503,721
Scotia Private International Small to Mid Cap Value Pool Series I [†]	2,757	74,329	82,827
		<u>837,492</u>	<u>839,488</u>
TOTAL INVESTMENT PORTFOLIO		<u>837,492</u>	839,488
OTHER ASSETS, LESS LIABILITIES – 0.5%			4,459
NET ASSETS – 100.0%			<u>843,947</u>

[†] Investment in related party (note 10)

Scotia International 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 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.5% (December 31, 2017 – 99.6%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$83,949 (December 31, 2017 – \$76,375). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Foreign Equity Funds	99.5	99.6

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	839,488	–	–	839,488
	839,488	–	–	839,488

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	763,750	–	–	763,750
	763,750	–	–	763,750

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia International Equity Fund Series I	168,540	1.9
Scotia Private International Equity Pool Series I	503,721	0.1
Scotia Private International Small to Mid Cap Value Pool Series I	82,827	0.1
Scotia Private Emerging Markets Pool Series I	84,400	0.0
	839,488	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia International Equity 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	

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

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

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

Scotia INNOVA Income Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	136,116,691	160,780,624
Cash	130,465	202,346
Receivable for securities sold	—	292,300
Accrued investment income and other	191	187
	<u>136,247,347</u>	<u>161,275,457</u>
LIABILITIES		
Current liabilities		
Redemptions payable	172,664	26,000
Distributions payable	12,562	17,527
	<u>185,226</u>	<u>43,527</u>
Net assets attributable to holders of redeemable shares	<u>136,062,121</u>	<u>161,231,930</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	136,062,121	161,231,930
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.29	11.49

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,556,924	1,674,761
Interest for distribution purposes	2,505,810	2,461,690
Net realized gain (loss) on non-derivative financial assets	7,601,138	3,136,389
Change in unrealized gain (loss) on non-derivative financial assets	(10,461,489)	2,669,093
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,202,383	9,941,933
Total income (loss), net	<u>1,202,383</u>	<u>9,941,933</u>
EXPENSES		
Management fees (note 5)	2,380,912	2,726,324
Fixed administration fees (note 6)	148,807	170,395
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	312	185
Foreign withholding taxes/tax reclaims	28,972	15,786
Other fund costs	30,711	37,950
Harmonized Sales Tax/Goods and Services Tax	269,668	307,052
Total expenses	<u>2,860,631</u>	<u>3,258,827</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(1,658,248)</u>	<u>6,683,106</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	<u>(1,658,248)</u>	<u>6,683,106</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	<u>(0.13)</u>	<u>0.44</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	12,876,551	15,063,974

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	161,231,930	180,793,722
	<u>161,231,930</u>	<u>180,793,722</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(1,658,248)	6,683,106
	<u>(1,658,248)</u>	<u>6,683,106</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(695,818)	(832,923)
	<u>(695,818)</u>	<u>(832,923)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	—	1,420
Reinvested distributions		
Series A	683,256	815,396
Payments on redemption		
Series A	(23,498,999)	(26,228,791)
	<u>(22,815,743)</u>	<u>(25,411,975)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(25,169,809)	(19,561,792)
	<u>(25,169,809)</u>	<u>(19,561,792)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	136,062,121	161,231,930
	<u>136,062,121</u>	<u>161,231,930</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(1,658,248)	6,683,106
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(7,601,138)	(3,136,389)
Change in unrealized (gain) loss on non-derivative financial assets	10,461,489	(2,669,093)
Other non-cash transactions	(4,029,531)	(4,118,051)
Purchases of non-derivative financial assets and liabilities	(30,371,518)	(862,049)
Proceeds from sale of non-derivative financial assets and liabilities	56,496,931	30,280,555
Accrued investment income and other	(4)	(78)
Accrued expenses and other payables	—	(9,314)
Net cash provided by (used in) operating activities	23,297,981	26,168,687
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	—	1,420
Amounts paid on redemption of redeemable shares	(23,352,335)	(26,404,979)
Distributions to shareholders of redeemable shares	(17,527)	(21,654)
Net cash provided by (used in) financing activities	(23,369,862)	(26,425,213)
Net increase (decrease) in cash	(71,881)	(256,526)
Cash (bank overdraft), beginning of period	202,346	458,872
CASH (BANK OVERDRAFT), END OF PERIOD	<u>130,465</u>	<u>202,346</u>
Interest paid ⁽¹⁾	312	185
Interest received, net of withholding taxes ⁽¹⁾	4,226	2,535

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 1.9%			
1832 AM Tactical Asset Allocation LP Series I†	216,423	3,030,743	2,642,671
CANADIAN EQUITY FUNDS – 9.7%			
1832 AM Canadian Dividend LP Series I†	477,592	4,886,183	4,628,342
Scotia Canadian Dividend Fund Series I†	98,303	4,304,217	5,855,660
Scotia Private Canadian All Cap Equity Pool Series I†	144,902	1,434,465	1,317,262
Scotia Private Canadian Small Cap Pool Series I†	41,055	1,336,488	1,331,945
		<u>11,961,353</u>	<u>13,133,209</u>
FIXED INCOME FUNDS – 71.7%			
1832 AM Canadian Preferred Share LP Series I†	441,546	5,104,668	4,692,223
Scotia Canadian Income Fund Series I†	1,477,338	19,859,818	19,624,811
Scotia Private Floating Rate Income Pool Series I†	2,000,614	20,042,609	19,541,598
Scotia Private American Core-Plus Bond Pool Series I†	536,968	5,084,660	4,869,227
Scotia Private Canadian Corporate Bond Pool Series I†	1,396,221	15,118,971	14,674,561
Scotia Private Short-Mid Government Bond Pool Series I†	1,911,231	19,749,081	19,628,918
Scotia Total Return Bond LP Series I†	1,179,932	14,411,040	14,591,978
		<u>99,370,847</u>	<u>97,623,316</u>
FOREIGN EQUITY FUNDS – 16.7%			
1832 AM Global Completion LP Series I†	230,323	3,124,626	3,361,639
Scotia Global Low Volatility Equity LP Series I†	327,735	5,135,155	5,351,650
Scotia Private Diversified International Equity Pool Series I†	215,996	2,020,314	2,015,589
Scotia Private International Equity Pool Series I†	332,020	3,788,567	4,045,826
Scotia Private Options Income Pool Series I†	285,299	2,854,862	2,659,355
Scotia U.S. Low Volatility Equity LP Series I†	325,830	5,976,178	5,283,436
		<u>22,899,702</u>	<u>22,717,495</u>
TOTAL INVESTMENT PORTFOLIO		<u>137,262,645</u>	<u>136,116,691</u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			(54,570)
NET ASSETS – 100.0%			<u>136,062,121</u>

† Investment in related party (note 10)

Scotia INNOVA Income Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 99.7%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$13,611,669 (December 31, 2017 – \$16,078,062). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Balanced Funds	1.9	10.0
Canadian Equity Funds	9.7	10.0
Fixed Income Funds	71.7	64.9
Foreign Equity Funds	16.7	14.8

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	136,116,691	–	–	136,116,691
	136,116,691	–	–	136,116,691

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	160,780,624	–	–	160,780,624
	160,780,624	–	–	160,780,624

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Income Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	4,692,223	4.8
1832 AM Tactical Asset Allocation LP Series I	2,642,671	3.3
Scotia Private Short-Mid Government Bond Pool Series I	19,628,918	1.6
Scotia Private Floating Rate Income Pool Series I	19,541,598	1.3
Scotia Total Return Bond LP Series I	14,591,978	1.2
1832 AM Canadian Dividend LP Series I	4,628,342	0.8
Scotia U.S. Low Volatility Equity LP Series I	5,283,436	0.8
Scotia Private American Core-Plus Bond Pool Series I	4,869,227	0.7
Scotia Global Low Volatility Equity LP Series I	5,351,650	0.7
1832 AM Global Completion LP Series I	3,361,639	0.6
Scotia Private Diversified International Equity Pool Series I	2,015,589	0.6
Scotia Private International Equity Pool Series I	4,045,826	0.4
Scotia Private Options Income Pool Series I	2,659,355	0.4
Scotia Canadian Income Fund Series I	19,624,811	0.3
Scotia Private Canadian Corporate Bond Pool Series I	14,674,561	0.3
Scotia Private Canadian All Cap Equity Pool Series I	1,317,262	0.2
Scotia Private Canadian Small Cap Pool Series I	1,331,945	0.2
Scotia Canadian Dividend Fund Series I	5,855,660	0.1
	136,116,691	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	16,055,705	8.4
1832 AM Canadian Preferred Share LP Series I	9,714,463	7.0
Scotia Private Floating Rate Income Pool Series I	22,558,448	1.7
Scotia Total Return Bond LP Series I	17,668,369	1.7
Scotia Private Short-Mid Government Bond Pool Series I	11,261,320	1.4
1832 AM Global Completion LP Series I	4,379,489	0.9
Scotia Global Low Volatility Equity LP Series I	9,582,377	0.9
Scotia Private American Core-Plus Bond Pool Series I	4,827,606	0.6
1832 AM Canadian Dividend LP Series I	2,417,293	0.4
Scotia Private Canadian Corporate Bond Pool Series I	26,609,245	0.4
Scotia Private Options Income Pool Series I	3,618,807	0.4
Scotia Private International Equity Pool Series I	3,190,256	0.3
Scotia U.S. Low Volatility Equity LP Series I	3,158,836	0.3
Scotia Private Canadian Small Cap Pool Series I	1,619,137	0.2
Scotia Canadian Income Fund Series I	12,051,587	0.2
Scotia Canadian Dividend Fund Series I	11,261,378	0.1
Scotia Private Canadian Equity Pool Series I	806,308	0.1
	160,780,624	

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

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

Scotia INNOVA Balanced Income Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets		
Cash	1,174,634,176	1,362,295,871
Receivable for securities sold	489,128	839,780
Subscriptions receivable	500,000	2,150,000
Accrued investment income and other	356,263	2,279,300
	1,385	1,574
	<u>1,175,980,952</u>	<u>1,367,566,525</u>
LIABILITIES		
Current liabilities		
Redemptions payable	1,147,045	3,473,045
Distributions payable	1,049,112	1,106,473
	<u>2,196,157</u>	<u>4,579,518</u>
Net assets attributable to holders of redeemable shares	<u>1,173,784,795</u>	<u>1,362,987,007</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	984,535,112	1,148,683,150
Series T	189,249,683	214,303,857
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.94	12.27
Series T	13.26	14.12

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	17,426,876	18,631,162
Interest for distribution purposes	19,176,950	16,992,558
Net realized gain (loss) on non-derivative financial assets	65,386,336	18,718,233
Change in unrealized gain (loss) on non-derivative financial assets	(99,496,188)	37,918,470
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	2,493,974	92,260,423
Other income	3,756	8,422
Total income (loss), net	<u>2,497,730</u>	<u>92,268,845</u>
EXPENSES		
Management fees (note 5)	21,964,764	23,221,856
Fixed administration fees (note 6)	1,292,045	1,365,991
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	4,436	122
Foreign withholding taxes/tax reclaims	374,307	280,177
Other fund costs	331,338	386,775
Harmonized Sales Tax/Goods and Services Tax	2,465,510	2,606,306
Total expenses	<u>26,433,649</u>	<u>27,862,362</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(23,935,919)</u>	<u>64,406,483</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(20,900,003)	55,718,437
Series T	(3,035,916)	8,688,046
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.24)	0.58
Series T	(0.21)	0.59
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	87,911,093	96,403,256
Series T	14,790,058	14,606,751

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	1,148,683,150	1,166,301,239
Series T	214,303,857	192,384,706
	<u>1,362,987,007</u>	<u>1,358,685,945</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(20,900,003)	55,718,437
Series T	(3,035,916)	8,688,046
	<u>(23,935,919)</u>	<u>64,406,483</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(6,673,041)	(7,175,484)
Series T	(1,287,004)	(1,338,702)
From return of capital		
Series T	(8,148,854)	(8,041,030)
	<u>(16,108,899)</u>	<u>(16,555,216)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	114,582,535	181,343,261
Series T	42,714,289	64,114,454
Reinvested distributions		
Series A	6,536,362	7,001,410
Series T	2,697,303	2,865,362
Payments on redemption		
Series A	(257,693,891)	(254,505,713)
Series T	(57,993,992)	(44,368,979)
	<u>(149,157,394)</u>	<u>(43,550,205)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(164,148,038)	(17,618,089)
Series T	(25,054,174)	21,919,151
	<u>(189,202,212)</u>	<u>4,301,062</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	984,535,112	1,148,683,150
Series T	189,249,683	214,303,857
	<u>1,173,784,795</u>	<u>1,362,987,007</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(23,935,919)	64,406,483
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(65,386,336)	(18,718,233)
Change in unrealized (gain) loss on non-derivative financial assets	99,496,188	(37,918,470)
Other non-cash transactions	(36,205,984)	(35,319,008)
Purchases of non-derivative financial assets and liabilities	(241,221,789)	(22,910,073)
Proceeds from sale of non-derivative financial assets and liabilities	432,629,615	103,375,350
Accrued investment income and other	189	1,232
Accrued expenses and other payables	-	(74,075)
Net cash provided by (used in) operating activities	<u>165,375,964</u>	<u>52,843,206</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	154,861,010	237,877,822
Amounts paid on redemption of redeemable shares	(313,655,032)	(290,021,294)
Distributions to shareholders of redeemable shares	(6,932,594)	(6,620,560)
Net cash provided by (used in) financing activities	<u>(165,726,616)</u>	<u>(58,764,032)</u>
Net increase (decrease) in cash	(350,652)	(5,920,826)
Cash (bank overdraft), beginning of period	839,780	6,760,606
CASH (BANK OVERDRAFT), END OF PERIOD	<u>489,128</u>	<u>839,780</u>
Interest paid ⁽¹⁾	4,436	122
Interest received, net of withholding taxes ⁽¹⁾	23,724	25,767

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 2.9%			
1832 AM Tactical Asset Allocation LP Series I†	2,782,971	39,100,248	33,982,023
CANADIAN EQUITY FUNDS – 15.1%			
1832 AM Canadian Dividend LP Series I†	5,349,179	54,447,326	51,838,896
Scotia Canadian Dividend Fund Series I†	1,289,799	63,222,507	76,829,983
Scotia Private Canadian All Cap Equity Pool Series I†	1,820,406	18,143,190	16,548,769
Scotia Private Canadian Small Cap Pool Series I†	790,978	26,606,116	25,661,548
Scotia Private International Growth Equity Pool Series I†	693,923	7,004,474	6,819,110
		<u>169,423,613</u>	<u>177,698,306</u>
FIXED INCOME FUNDS – 56.8%			
1832 AM Canadian Preferred Share LP Series I†	5,223,764	60,244,255	55,511,891
Scotia Canadian Income Fund Series I†	12,272,030	164,323,945	163,020,414
Scotia Private Floating Rate Income Pool Series I†	9,630,710	95,989,562	94,070,848
Scotia Private American Core-Plus Bond Pool Series I†	4,044,930	38,365,354	36,679,430
Scotia Private Canadian Corporate Bond Pool Series I†	9,322,298	101,189,116	97,979,220
Scotia Private High Yield Income Pool Series I†	2,815,043	26,699,411	23,154,573
Scotia Private Short-Mid Government Bond Pool Series I†	9,573,585	99,427,780	98,323,592
Scotia Total Return Bond LP Series I†	7,955,232	98,535,702	98,380,765
		<u>684,775,125</u>	<u>667,120,733</u>
FOREIGN EQUITY FUNDS – 25.2%			
1832 AM Global Completion LP Series I†	2,810,010	40,742,409	41,012,934
Scotia Global Low Volatility Equity LP Series I†	3,183,698	52,154,728	51,987,243
Scotia Private Diversified International Equity Pool Series I†	3,739,462	36,713,115	34,895,160
Scotia Private Global Equity Pool Series I†	656,017	19,142,538	17,180,089
Scotia Private International Equity Pool Series I†	4,071,877	48,529,474	49,617,857
Scotia Private Options Income Pool Series I†	2,804,014	27,965,706	26,137,057
Scotia U.S. Dividend Growers LP Series I†	1,570,479	24,300,582	28,926,652
Scotia U.S. Low Volatility Equity LP Series I†	2,841,521	49,596,209	46,076,122
		<u>299,144,761</u>	<u>295,833,114</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>1,192,443,747</u></u>	<u><u>1,174,634,176</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.0%			<u>(849,381)</u>
NET ASSETS – 100.0%			<u><u>1,173,784,795</u></u>

† Investment in related party (note 10)

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 investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.0% (December 31, 2017 – 99.9%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$117,463,418 (December 31, 2017 – \$136,229,587). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Balanced Funds	2.9	8.3
Canadian Equity Funds	15.1	15.1
Fixed Income Funds	56.8	51.5
Foreign Equity Funds	25.2	25.0

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	1,174,634,176	–	–	1,174,634,176
	1,174,634,176	–	–	1,174,634,176

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,362,295,871	–	–	1,362,295,871
	1,362,295,871	–	–	1,362,295,871

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Balanced Income Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	55,511,891	56.2
1832 AM Tactical Asset Allocation LP Series I	33,982,023	43.0
Scotia Private Diversified International Equity Pool Series I	34,895,160	9.8
1832 AM Canadian Dividend LP Series I	51,838,896	8.6
Scotia Private Short-Mid Government Bond Pool Series I	98,323,592	8.0
Scotia Total Return Bond LP Series I	98,380,765	7.8
1832 AM Global Completion LP Series I	41,012,934	7.4
Scotia Global Low Volatility Equity LP Series I	51,987,243	7.2
Scotia U.S. Low Volatility Equity LP Series I	46,076,122	6.8
Scotia Private Floating Rate Income Pool Series I	94,070,848	6.3
Scotia Private American Core-Plus Bond Pool Series I	36,679,430	5.2
Scotia Private International Equity Pool Series I	49,617,857	5.2
Scotia U.S. Dividend Growers LP Series I	28,926,652	5.1
Scotia Private Canadian Small Cap Pool Series I	25,661,548	4.3
Scotia Private Global Equity Pool Series I	17,180,089	3.9
Scotia Private Options Income Pool Series I	26,137,057	3.5
Scotia Private International Growth Equity Pool Series I	6,819,110	3.4
Scotia Private High Yield Income Pool Series I	23,154,573	3.0
Scotia Private Canadian All Cap Equity Pool Series I	16,548,769	2.6
Scotia Canadian Income Fund Series I	163,020,414	2.6
Scotia Private Canadian Corporate Bond Pool Series I	97,979,220	1.9
Scotia Canadian Dividend Fund Series I	76,829,983	0.8
	1,174,634,176	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Preferred Share LP Series I	81,908,903	59.1
1832 AM Tactical Asset Allocation LP Series I	113,174,918	59.0
Scotia Total Return Bond LP Series I	101,294,430	9.9
1832 AM Global Completion LP Series I	44,231,829	9.4
Scotia Private Short-Mid Government Bond Pool Series I	67,343,883	8.2
Scotia Global Low Volatility Equity LP Series I	85,560,451	8.2
Scotia U.S. Low Volatility Equity LP Series I	78,649,120	7.9
1832 AM Canadian Dividend LP Series I	41,190,042	6.8
Scotia U.S. Dividend Growers LP Series I	40,851,411	6.8
Scotia Private Floating Rate Income Pool Series I	87,583,141	6.7
Scotia Private American Core-Plus Bond Pool Series I	53,652,052	6.2
Scotia Private International Equity Pool Series I	61,071,194	4.8
Scotia Private Canadian Equity Pool Series I	27,395,265	4.5
Scotia Private Canadian Small Cap Pool Series I	31,147,319	3.9
Scotia Private Options Income Pool Series I	30,629,692	3.5
Scotia Private Canadian Corporate Bond Pool Series I	182,446,794	3.1
Scotia Private High Yield Income Pool Series I	33,582,752	2.6
Scotia Canadian Income Fund Series I	94,783,904	1.6
Scotia Canadian Dividend Fund Series I	105,798,771	1.1
	1,362,295,871	

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

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

Scotia INNOVA Balanced Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	955,843,980	1,040,585,003
Cash	1,406,736	2,180,374
Subscriptions receivable	216,429	874,338
Accrued investment income and other	1,297	1,899
	<u>957,468,442</u>	<u>1,043,641,614</u>
LIABILITIES		
Current liabilities		
Redemptions payable	919,167	513,177
Distributions payable	1,244,079	1,254,367
	<u>2,163,246</u>	<u>1,767,544</u>
Net assets attributable to holders of redeemable shares	<u>955,305,196</u>	<u>1,041,874,070</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	725,076,275	805,412,031
Series T	230,228,921	236,462,039
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	13.06	13.58
Series T	13.20	14.48

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	17,759,598	17,294,094
Interest for distribution purposes	12,239,965	9,797,068
Net realized gain (loss) on non-derivative financial assets	52,602,421	17,067,392
Change in unrealized gain (loss) on non-derivative financial assets	(93,461,220)	36,752,781
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(10,859,236)	80,911,335
Other income	6,917	2,874
Total income (loss), net	<u>(10,852,319)</u>	<u>80,914,209</u>
EXPENSES		
Management fees (note 5)	18,451,419	18,165,539
Fixed administration fees (note 6)	1,025,079	1,009,196
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	139	491
Foreign withholding taxes/tax reclaims	522,268	449,484
Other fund costs	321,669	311,480
Harmonized Sales Tax/Goods and Services Tax	1,992,294	1,946,933
Total expenses	<u>22,314,117</u>	<u>21,884,258</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(33,166,436)</u>	<u>59,029,951</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(24,135,817)	45,296,627
Series T	(9,030,619)	13,733,324
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.42)	0.76
Series T	(0.53)	0.90
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	57,213,337	59,638,637
Series T	17,098,017	15,267,814

[†] 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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	805,412,031	790,917,661
Series T	236,462,039	203,991,303
	<u>1,041,874,070</u>	<u>994,908,964</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(24,135,817)	45,296,627
Series T	(9,030,619)	13,733,324
	<u>(33,166,436)</u>	<u>59,029,951</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(4,927,873)	(5,307,962)
Series T	(1,575,015)	(1,558,365)
From return of capital		
Series T	(11,755,558)	(10,494,823)
	<u>(18,258,446)</u>	<u>(17,361,150)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	111,079,080	146,468,267
Series T	66,082,345	81,901,159
Reinvested distributions		
Series A	4,834,669	5,203,446
Series T	3,415,863	3,040,221
Payments on redemption		
Series A	(167,185,815)	(177,166,008)
Series T	(53,370,134)	(54,150,780)
	<u>(35,143,992)</u>	<u>5,296,305</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(80,335,756)	14,494,370
Series T	(6,233,118)	32,470,736
	<u>(86,568,874)</u>	<u>46,965,106</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	725,076,275	805,412,031
Series T	230,228,921	236,462,039
	<u>955,305,196</u>	<u>1,041,874,070</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(33,166,436)	59,029,951
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(52,602,421)	(17,067,392)
Change in unrealized (gain) loss on non-derivative financial assets	93,461,220	(36,752,781)
Other non-cash transactions	(29,448,980)	(26,620,622)
Purchases of non-derivative financial assets and liabilities	(218,125,620)	(28,677,520)
Proceeds from sale of non-derivative financial assets and liabilities	291,456,823	59,943,199
Accrued investment income and other	602	158
Accrued expenses and other payables	-	(57,022)
Net cash provided by (used in) operating activities	<u>51,575,188</u>	<u>9,797,971</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	174,309,009	216,286,943
Amounts paid on redemption of redeemable shares	(216,639,634)	(219,921,906)
Distributions to shareholders of redeemable shares	(10,018,201)	(9,048,804)
Net cash provided by (used in) financing activities	<u>(52,348,826)</u>	<u>(12,683,767)</u>
Net increase (decrease) in cash	(773,638)	(2,885,796)
Cash (bank overdraft), beginning of period	2,180,374	5,066,170
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,406,736</u>	<u>2,180,374</u>
Interest paid ⁽¹⁾	139	491
Interest received, net of withholding taxes ⁽¹⁾	28,917	21,213

⁽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, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 3.2%			
1832 AM Tactical Asset Allocation LP Series I [†]	2,473,103	34,827,982	30,198,318
CANADIAN EQUITY FUNDS – 20.5%			
1832 AM Canadian Dividend LP Series I [†]	4,826,565	49,334,887	46,774,239
1832 AM Canadian Growth LP Series I [†]	1,978,771	19,962,188	18,624,787
Scotia Canadian Dividend Fund Series I [†]	1,249,336	61,856,806	74,419,705
Scotia Private Canadian All Cap Equity Pool Series I [†]	2,049,288	20,451,032	18,629,458
Scotia Private Canadian Small Cap Pool Series I [†]	870,126	29,419,306	28,229,330
Scotia Private International Growth Equity Pool Series I [†]	973,513	9,542,242	9,566,619
		<u>190,566,461</u>	<u>196,244,138</u>
FIXED INCOME FUNDS – 37.8%			
1832 AM Canadian Preferred Share LP Series I [†]	2,928,361	33,342,949	31,119,106
Scotia Canadian Income Fund Series I [†]	6,568,790	89,239,169	87,259,150
Scotia Private Floating Rate Income Pool Series I [†]	3,485,249	34,531,489	34,043,215
Scotia Private American Core-Plus Bond Pool Series I [†]	5,777,321	54,699,921	52,388,744
Scotia Private Canadian Corporate Bond Pool Series I [†]	4,961,052	53,809,311	52,141,653
Scotia Private High Yield Income Pool Series I [†]	2,058,134	19,482,839	16,928,769
Scotia Private Short-Mid Government Bond Pool Series I [†]	3,404,198	34,310,393	34,962,139
Scotia Total Return Bond LP Series I [†]	4,210,148	52,239,344	52,066,061
		<u>371,655,415</u>	<u>360,908,837</u>
FOREIGN EQUITY FUNDS – 38.6%			
1832 AM Global Completion LP Series I [†]	2,934,693	43,313,585	42,832,727
Scotia Global Low Volatility Equity LP Series I [†]	3,196,261	53,080,491	52,192,377
Scotia Private Diversified International Equity Pool Series I [†]	3,042,635	30,072,950	28,392,655
Scotia Private Emerging Markets Pool Series I [†]	2,047,279	21,621,397	21,215,546
Scotia Private Global Equity Pool Series I [†]	1,245,786	26,009,454	32,625,267
Scotia Private Global Real Estate Pool Series I [†]	511,479	8,954,268	9,275,266
Scotia Private International Equity Pool Series I [†]	4,222,745	51,971,533	51,456,258
Scotia Private Options Income Pool Series I [†]	3,328,254	33,790,666	31,023,656
Scotia U.S. Dividend Growers LP Series I [†]	2,326,199	36,028,665	42,846,261
Scotia U.S. Low Volatility Equity LP Series I [†]	3,492,546	61,042,368	56,632,674
		<u>365,885,377</u>	<u>368,492,687</u>
TOTAL INVESTMENT PORTFOLIO		<u>962,935,235</u>	<u>955,843,980</u>
OTHER ASSETS, LESS LIABILITIES – (0.1%)			(538,784)
NET ASSETS – 100.0%			<u>955,305,196</u>

[†] Investment in related party (note 10)

Scotia INNOVA Balanced Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 100.1% (December 31, 2017 – 99.9%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$95,584,398 (December 31, 2017 – \$104,058,500). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Balanced Funds	3.2	5.1
Canadian Equity Funds	20.5	22.5
Fixed Income Funds	37.8	34.3
Foreign Equity Funds	38.6	38.0

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	955,843,980	–	–	955,843,980
	955,843,980	–	–	955,843,980

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	1,040,585,003	–	–	1,040,585,003
	1,040,585,003	–	–	1,040,585,003

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Balanced Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018		December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	30,198,318	38.2	38,723,206	27.9
1832 AM Canadian Preferred Share LP Series I	31,119,106	31.5	53,166,913	27.7
1832 AM Canadian Growth LP Series I	18,624,787	8.8	26,001,824	10.4
Scotia U.S. Low Volatility Equity LP Series I	56,632,674	8.3	53,508,138	8.9
Scotia Private Diversified International Equity Pool Series I	28,392,655	8.0	34,200,140	8.6
1832 AM Canadian Dividend LP Series I	46,774,239	7.8	84,525,628	8.5
1832 AM Global Completion LP Series I	42,832,727	7.7	79,192,514	7.6
Scotia U.S. Dividend Growers LP Series I	42,846,261	7.5	41,734,635	6.9
Scotia Private American Core-Plus Bond Pool Series I	52,388,744	7.4	83,895,789	6.6
Scotia Private Global Equity Pool Series I	32,625,267	7.4	29,084,790	6.2
Scotia Global Low Volatility Equity LP Series I	52,192,377	7.3	47,305,298	5.9
Scotia Private Emerging Markets Pool Series I	21,215,546	5.5	51,045,656	5.9
Scotia Private International Equity Pool Series I	51,456,258	5.4	34,622,559	5.7
Scotia Private Canadian Small Cap Pool Series I	28,229,330	4.8	38,095,216	3.7
Scotia Private International Growth Equity Pool Series I	9,566,619	4.8	10,681,528	3.0
Scotia Total Return Bond LP Series I	52,066,061	4.1	38,111,086	2.9
Scotia Private Options Income Pool Series I	31,023,656	4.1	21,115,907	2.4
Scotia Private Canadian All Cap Equity Pool Series I	18,629,458	2.9	20,666,095	1.6
Scotia Private Short-Mid Government Bond Pool Series I	34,962,139	2.8	96,822,948	1.6
Scotia Private Global Real Estate Pool Series I	9,275,266	2.8	73,769,538	1.2
Scotia Private Floating Rate Income Pool Series I	34,043,215	2.3	84,315,595	0.9
Scotia Private High Yield Income Pool Series I	16,928,769	2.2		
Scotia Canadian Income Fund Series I	87,259,150	1.4		
Scotia Private Canadian Corporate Bond Pool Series I	52,141,653	1.0		
Scotia Canadian Dividend Fund Series I	74,419,705	0.8		
	955,843,980		1,040,585,003	

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

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

Scotia INNOVA Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	340,212,984	373,082,456
Cash	119,867	936,109
Receivable for securities sold	223,200	—
Subscriptions receivable	142,160	346,552
Accrued investment income and other	516	1,393
	<u>340,698,727</u>	<u>374,366,510</u>
LIABILITIES		
Current liabilities		
Redemptions payable	128,421	212,828
Distributions payable	191,183	179,373
	<u>319,604</u>	<u>392,201</u>
Net assets attributable to holders of redeemable shares	<u>340,379,123</u>	<u>373,974,309</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	300,439,537	332,653,609
Series T	<u>39,939,586</u>	<u>41,320,700</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	13.91	14.65
Series T	<u>13.67</u>	<u>15.16</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	7,763,230	7,130,514
Interest for distribution purposes	2,647,353	2,139,548
Net realized gain (loss) on non-derivative financial assets	20,811,557	5,839,854
Change in unrealized gain (loss) on non-derivative financial assets	(38,816,149)	18,316,282
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(7,594,009)	33,426,198
Other income	3,110	497
Total income (loss), net	<u>(7,590,899)</u>	<u>33,426,695</u>
EXPENSES		
Management fees (note 5)	7,015,970	6,751,829
Fixed administration fees (note 6)	369,262	355,360
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	1,545	28
Foreign withholding taxes/tax reclaims	270,078	252,850
Other fund costs	132,593	119,139
Harmonized Sales Tax/Goods and Services Tax	728,677	702,174
Total expenses	<u>8,519,374</u>	<u>8,182,515</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(16,110,273)</u>	<u>25,244,180</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(14,004,152)	22,620,277
Series T	<u>(2,106,121)</u>	<u>2,623,903</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.63)	1.00
Series T	<u>(0.74)</u>	<u>1.12</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	22,169,125	22,584,964
Series T	<u>2,849,171</u>	<u>2,342,890</u>

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

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)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	332,653,609	307,942,220
Series T	41,320,700	30,430,289
	<u>373,974,309</u>	<u>338,372,509</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(14,004,152)	22,620,277
Series T	<u>(2,106,121)</u>	<u>2,623,903</u>
	<u>(16,110,273)</u>	<u>25,244,180</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(2,221,091)	(2,201,420)
Series T	(296,842)	(273,450)
From return of capital		
Series T	<u>(1,961,855)</u>	<u>(1,609,456)</u>
	<u>(4,479,788)</u>	<u>(4,084,326)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	52,519,166	64,150,242
Series T	11,931,666	15,631,313
Reinvested distributions		
Series A	2,201,765	2,179,491
Series T	961,812	776,254
Payments on redemption		
Series A	(70,709,760)	(62,037,201)
Series T	<u>(9,909,774)</u>	<u>(6,258,153)</u>
	<u>(13,005,125)</u>	<u>14,441,946</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(32,214,072)	24,711,389
Series T	<u>(1,381,114)</u>	<u>10,890,411</u>
	<u>(33,595,186)</u>	<u>35,601,800</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	300,439,537	332,653,609
Series T	<u>39,939,586</u>	<u>41,320,700</u>
	<u>340,379,123</u>	<u>373,974,309</u>

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(16,110,273)	25,244,180
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(20,811,557)	(5,839,854)
Change in unrealized (gain) loss on non-derivative financial assets	38,816,149	(18,316,282)
Other non-cash transactions	(10,127,621)	(9,006,656)
Purchases of non-derivative financial assets and liabilities	(75,876,310)	(16,067,605)
Proceeds from sale of non-derivative financial assets and liabilities	100,645,610	13,475,416
Accrued investment income and other	877	(689)
Accrued expenses and other payables	—	(20,360)
Net cash provided by (used in) operating activities	<u>16,536,875</u>	<u>(10,531,850)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	62,915,568	79,028,675
Amounts paid on redemption of redeemable shares	(78,964,285)	(67,552,115)
Distributions to shareholders of redeemable shares	<u>(1,304,400)</u>	<u>(1,099,233)</u>
Net cash provided by (used in) financing activities	<u>(17,353,117)</u>	<u>10,377,327</u>
Net increase (decrease) in cash	(816,242)	(154,523)
Cash (bank overdraft), beginning of period	936,109	1,090,632
CASH (BANK OVERDRAFT), END OF PERIOD	<u>119,867</u>	<u>936,109</u>
Interest paid ⁽¹⁾	1,545	28
Interest received, net of withholding taxes ⁽¹⁾	13,761	9,867

⁽¹⁾ Classified as operating items.

Scotia INNOVA Growth Portfolio Class (Continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 2.8%			
1832 AM Tactical Asset Allocation LP Series I [†]	776,091	11,087,829	9,476,614
CANADIAN EQUITY FUNDS – 28.6%			
1832 AM Canadian Dividend LP Series I [†]	2,206,571	22,381,432	21,383,879
1832 AM Canadian Growth LP Series I [†]	1,337,119	13,401,009	12,585,366
Scotia Canadian Dividend Fund Series I [†]	421,828	20,844,553	25,127,220
Scotia Private Canadian All Cap Equity Pool Series I [†]	939,688	9,354,904	8,542,426
Scotia Private Canadian Small Cap Pool Series I [†]	519,411	17,498,440	16,851,153
Scotia Private International Growth Equity Pool Series I [†]	1,309,237	13,087,000	12,865,740
		<u>96,567,338</u>	<u>97,355,784</u>
FIXED INCOME FUNDS – 22.0%			
1832 AM Canadian Preferred Share LP Series I [†]	701,656	7,917,744	7,456,359
Scotia Canadian Income Fund Series I [†]	1,356,209	18,500,672	18,015,745
Scotia Private Floating Rate Income Pool Series I [†]	361,191	3,592,925	3,528,039
Scotia Private American Core-Plus Bond Pool Series I [†]	1,152,959	10,894,702	10,455,033
Scotia Private Canadian Corporate Bond Pool Series I [†]	1,027,850	11,152,922	10,802,912
Scotia Private High Yield Income Pool Series I [†]	831,846	7,842,526	6,842,182
Scotia Private Short-Mid Government Bond Pool Series I [†]	676,285	6,810,410	6,945,652
Scotia Total Return Bond LP Series I [†]	883,765	10,677,963	10,929,346
		<u>77,389,864</u>	<u>74,975,268</u>
FOREIGN EQUITY FUNDS – 46.5%			
1832 AM Global Completion LP Series I [†]	1,281,275	18,724,995	18,700,586
Scotia Global Low Volatility Equity LP Series I [†]	1,408,836	23,828,236	23,005,158
Scotia Private Diversified International Equity Pool Series I [†]	305,231	2,970,274	2,848,294
Scotia Private Emerging Markets Pool Series I [†]	1,227,866	12,375,851	12,724,126
Scotia Private Global Equity Pool Series I [†]	869,335	19,341,694	22,766,568
Scotia Private Global Real Estate Pool Series I [†]	503,241	8,933,712	9,125,865
Scotia Private International Equity Pool Series I [†]	1,810,366	22,430,224	22,060,213
Scotia U.S. Dividend Growers LP Series I [†]	1,303,384	19,840,549	24,007,031
Scotia U.S. Low Volatility Equity LP Series I [†]	1,428,742	24,977,064	23,167,477
		<u>153,422,599</u>	<u>158,405,318</u>
TOTAL INVESTMENT PORTFOLIO		<u>338,467,630</u>	<u>340,212,984</u>
OTHER ASSETS, LESS LIABILITIES – 0.1%			<u>166,139</u>
NET ASSETS – 100.0%			<u>340,379,123</u>

[†] Investment in related party (note 10)

Scotia INNOVA Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.9% (December 31, 2017 – 99.8%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$34,021,298 (December 31, 2017 – \$37,308,246). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Balanced Funds	2.8	2.5
Canadian Equity Funds	28.6	27.5
Fixed Income Funds	22.0	19.6
Foreign Equity Funds	46.5	50.2

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	340,212,984	–	–	340,212,984
	340,212,984	–	–	340,212,984

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	373,082,456	–	–	373,082,456
	373,082,456	–	–	373,082,456

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018		December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	9,476,614	12.0	14,913,020	6.0
1832 AM Canadian Preferred Share LP Series I	7,456,359	7.5	8,353,501	6.0
Scotia Private International Growth Equity Pool Series I	12,865,740	6.4	9,360,478	4.9
1832 AM Canadian Growth LP Series I	12,585,366	6.0	29,326,965	4.9
Scotia Private Global Equity Pool Series I	22,766,568	5.1	28,873,335	4.8
Scotia U.S. Dividend Growers LP Series I	24,007,031	4.2	19,103,871	4.8
1832 AM Canadian Dividend LP Series I	21,383,879	3.6	16,831,597	3.6
1832 AM Global Completion LP Series I	18,700,586	3.4	28,370,309	3.5
Scotia U.S. Low Volatility Equity LP Series I	23,167,477	3.4	9,310,324	3.0
Scotia Private Emerging Markets Pool Series I	12,724,126	3.3	38,141,535	3.0
Scotia Global Low Volatility Equity LP Series I	23,005,158	3.2	29,189,299	2.9
Scotia Private Canadian Small Cap Pool Series I	16,851,153	2.8	28,876,435	2.8
Scotia Private Global Real Estate Pool Series I	9,125,865	2.8	7,362,210	2.1
Scotia Private International Equity Pool Series I	22,060,213	2.3	10,120,186	1.2
Scotia Private American Core-Plus Bond Pool Series I	10,455,033	1.5	9,446,107	1.1
Scotia Private Canadian All Cap Equity Pool Series I	8,542,426	1.3	7,386,818	0.6
Scotia Private High Yield Income Pool Series I	6,842,182	0.9	5,553,188	0.4
Scotia Total Return Bond LP Series I	10,929,346	0.9	21,811,269	0.4
Scotia Private Diversified International Equity Pool Series I	2,848,294	0.8	30,751,130	0.3
Scotia Private Short-Mid Government Bond Pool Series I	6,945,652	0.6	20,000,879	0.3
Scotia Canadian Dividend Fund Series I	25,127,220	0.3		
Scotia Canadian Income Fund Series I	18,015,745	0.3		
Scotia Private Floating Rate Income Pool Series I	3,528,039	0.2		
Scotia Private Canadian Corporate Bond Pool Series I	10,802,912	0.2		
	340,212,984		373,082,456	

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

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

Scotia INNOVA Maximum Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	73,892,875	79,546,842
Cash	341,409	811,230
Subscriptions receivable	19,160	29,275
Accrued investment income and other	168	276
	<u>74,253,612</u>	<u>80,387,623</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	10,000
Redemptions payable	26,000	51,143
Distributions payable	26,015	35,479
	<u>52,015</u>	<u>96,622</u>
Net assets attributable to holders of redeemable shares	<u>74,201,597</u>	<u>80,291,001</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	64,045,685	69,804,088
Series T	<u>10,155,912</u>	<u>10,486,913</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	15.24	16.25
Series T	<u>14.15</u>	<u>15.81</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	1,924,716	1,810,720
Interest for distribution purposes	42,100	19,564
Net realized gain (loss) on non-derivative financial assets	5,899,084	2,395,065
Change in unrealized gain (loss) on non-derivative financial assets	(10,405,659)	4,574,556
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(2,539,759)	8,799,905
Other income	138	1,062
Total income (loss), net	<u>(2,539,621)</u>	<u>8,800,967</u>
EXPENSES		
Management fees (note 5)	1,621,947	1,574,030
Fixed administration fees (note 6)	81,097	78,702
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	88	434
Foreign withholding taxes/tax reclaims	79,892	76,878
Other fund costs	32,636	28,300
Harmonized Sales Tax/Goods and Services Tax	161,953	159,277
Total expenses	<u>1,978,862</u>	<u>1,918,756</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(4,518,483)</u>	<u>6,882,211</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(3,872,656)	5,992,119
Series T	<u>(645,827)</u>	<u>890,092</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.91)	1.35
Series T	<u>(0.90)</u>	<u>1.47</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	4,275,346	4,445,395
Series T	<u>721,583</u>	<u>604,425</u>

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

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

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	69,804,088	68,219,254
Series T	10,486,913	8,813,556
	<u>80,291,001</u>	<u>77,032,810</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(3,872,656)	5,992,119
Series T	(645,827)	890,092
	<u>(4,518,483)</u>	<u>6,882,211</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(398,315)	(492,694)
Series T	(63,197)	(74,019)
From return of capital		
Series T	(496,160)	(416,607)
	<u>(957,672)</u>	<u>(983,320)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	13,241,163	14,824,336
Series T	4,405,610	4,040,780
Reinvested distributions		
Series A	393,791	487,756
Series T	350,024	286,833
Payments on redemption		
Series A	(15,122,386)	(19,226,683)
Series T	(3,881,451)	(3,053,722)
	<u>(613,249)</u>	<u>(2,640,700)</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	(5,758,403)	1,584,834
Series T	(331,001)	1,673,357
	<u>(6,089,404)</u>	<u>3,258,191</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	64,045,685	69,804,088
Series T	10,155,912	10,486,913
	<u>74,201,597</u>	<u>80,291,001</u>

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

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(4,518,483)	6,882,211
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(5,899,084)	(2,395,065)
Change in unrealized (gain) loss on non-derivative financial assets	10,405,659	(4,574,556)
Other non-cash transactions	(1,881,142)	(1,750,467)
Purchases of non-derivative financial assets and liabilities	(22,460,159)	(2,516,701)
Proceeds from sale of non-derivative financial assets and liabilities	25,478,694	8,668,010
Accrued investment income and other	108	(186)
Accrued expenses and other payables	-	(4,858)
Net cash provided by (used in) operating activities	1,125,593	4,308,388
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	17,405,850	18,292,592
Amounts paid on redemption of redeemable shares	(18,777,943)	(21,672,572)
Distributions to shareholders of redeemable shares	(223,321)	(207,044)
Net cash provided by (used in) financing activities	(1,595,414)	(3,587,024)
Net increase (decrease) in cash	(469,821)	721,364
Cash (bank overdraft), beginning of period	811,230	89,866
CASH (BANK OVERDRAFT), END OF PERIOD	341,409	811,230
Interest paid ⁽¹⁾	88	434
Interest received, net of withholding taxes ⁽¹⁾	5,883	2,754
Dividends received, net of withholding taxes ⁽¹⁾	7	-

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
BALANCED FUNDS – 3.7%			
1832 AM Tactical Asset Allocation LP Series I [†]	225,991	3,688,934	2,759,504
CANADIAN EQUITY FUNDS – 29.8%			
1832 AM Canadian Dividend LP Series I [†]	381,817	3,878,536	3,700,188
1832 AM Canadian Growth LP Series I [†]	292,568	2,895,994	2,753,738
Scotia Canadian Dividend Fund Series I [†]	77,012	3,875,896	4,587,413
Scotia Private Canadian All Cap Equity Pool Series I [†]	291,816	2,877,051	2,652,809
Scotia Private Canadian Small Cap Pool Series I [†]	143,172	4,864,548	4,644,894
Scotia Private International Growth Equity Pool Series I [†]	381,578	3,815,738	3,749,730
		<u>22,207,763</u>	<u>22,088,772</u>
FOREIGN EQUITY FUNDS – 66.1%			
1832 AM Global Completion LP Series I [†]	382,023	5,651,559	5,575,734
Scotia Global Low Volatility Equity LP Series I [†]	341,799	5,819,294	5,581,302
Scotia Private Diversified International Equity Pool Series I [†]	300,363	3,001,603	2,802,864
Scotia Private Emerging Markets Pool Series I [†]	534,676	5,344,767	5,540,742
Scotia Private Global Equity Pool Series I [†]	255,193	5,833,077	6,683,125
Scotia Private Global Real Estate Pool Series I [†]	149,975	2,671,480	2,719,674
Scotia Private International Equity Pool Series I [†]	461,834	5,632,587	5,627,684
Scotia U.S. Dividend Growers LP Series I [†]	485,503	7,673,278	8,942,474
Scotia U.S. Low Volatility Equity LP Series I [†]	343,564	6,120,326	5,571,000
		<u>47,747,971</u>	<u>49,044,599</u>
TOTAL INVESTMENT PORTFOLIO		<u>73,644,668</u>	<u>73,892,875</u>
OTHER ASSETS, LESS LIABILITIES – 0.4%			<u>308,722</u>
NET ASSETS – 100.0%			<u>74,201,597</u>

[†] Investment in related party (note 10)

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

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

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.6% (December 31, 2017 – 99.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$7,389,288 (December 31, 2017 – \$7,954,684). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

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

Concentration risk

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

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

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Balanced Funds	3.7	–
Canadian Equity Funds	29.8	34.7
Foreign Equity Funds	66.1	64.4

Fair Value Classification (note 2)

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

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	73,892,875	–	–	73,892,875
	73,892,875	–	–	73,892,875

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	79,546,842	–	–	79,546,842
	79,546,842	–	–	79,546,842

Transfers between levels

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

Offsetting of financial assets and liabilities (note 2)

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

Scotia INNOVA Maximum Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Tactical Asset Allocation LP Series I	2,759,504	3.5
Scotia Private International Growth Equity Pool Series I	3,749,730	1.9
Scotia U.S. Dividend Growers LP Series I	8,942,474	1.6
Scotia Private Global Equity Pool Series I	6,683,125	1.5
Scotia Private Emerging Markets Pool Series I	5,540,742	1.4
1832 AM Canadian Growth LP Series I	2,753,738	1.3
1832 AM Global Completion LP Series I	5,575,734	1.0
Scotia Private Canadian Small Cap Pool Series I	4,644,894	0.8
Scotia Global Low Volatility Equity LP Series I	5,581,302	0.8
Scotia Private Diversified International Equity Pool Series I	2,802,864	0.8
Scotia Private Global Real Estate Pool Series I	2,719,674	0.8
Scotia U.S. Low Volatility Equity LP Series I	5,571,000	0.8
1832 AM Canadian Dividend LP Series I	3,700,188	0.6
Scotia Private International Equity Pool Series I	5,627,684	0.6
Scotia Private Canadian All Cap Equity Pool Series I	2,652,809	0.4
Scotia Canadian Dividend Fund Series I	4,587,413	0.1
	73,892,875	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
1832 AM Canadian Growth LP Series I	4,799,672	1.9
Scotia U.S. Dividend Growers LP Series I	9,509,523	1.6
1832 AM Canadian Dividend LP Series I	8,498,321	1.4
Scotia Private Emerging Markets Pool Series I	4,183,318	1.3
Scotia Private Global Equity Pool Series I	5,197,643	1.3
Scotia Private Canadian Small Cap Pool Series I	7,547,174	0.9
1832 AM Global Completion LP Series I	3,549,317	0.8
Scotia Global Low Volatility Equity LP Series I	7,858,683	0.8
Scotia Private International Equity Pool Series I	10,259,499	0.8
Scotia Private Global Real Estate Pool Series I	2,558,539	0.7
Scotia U.S. Low Volatility Equity LP Series I	5,201,196	0.5
Scotia Private Options Income Pool Series I	3,377,733	0.4
Scotia Canadian Dividend Fund Series I	7,006,224	0.1
	79,546,842	

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

As at December 31, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Balanced Income Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	35,740,092	23,885,197
Cash	170,870	204,113
Subscriptions receivable	4,473	1,450
Accrued investment income and other	390	139
	<u>35,915,825</u>	<u>24,090,899</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	84,000
Redemptions payable	50,755	–
Distributions payable	14,781	6,956
	<u>65,536</u>	<u>90,956</u>
Net assets attributable to holders of redeemable shares	<u>35,850,289</u>	<u>23,999,943</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	29,977,689	20,543,833
Series T	<u>5,872,600</u>	<u>3,456,110</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	10.71	10.91
Series T	<u>14.42</u>	<u>15.25</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	345,053	197,970
Interest for distribution purposes	563,358	260,289
Net realized gain (loss) on non-derivative financial assets	365,829	178,740
Change in unrealized gain (loss) on non-derivative financial assets	(1,110,746)	259,311
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	163,494	896,310
Other income	(948)	3,603
Total income (loss), net	<u>162,546</u>	<u>899,913</u>
EXPENSES		
Management fees (note 5)	563,388	288,320
Fixed administration fees (note 6)	30,453	15,585
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	237	74
Foreign withholding taxes/tax reclaims	7,069	5,126
Harmonized Sales Tax/Goods and Services Tax	59,126	33,087
Total expenses	<u>661,522</u>	<u>343,327</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(498,976)</u>	<u>556,586</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(403,186)	449,147
Series T	<u>(95,790)</u>	<u>107,439</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.17)	0.37
Series T	<u>(0.31)</u>	<u>0.60</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	2,378,040	1,202,227
Series T	<u>306,536</u>	<u>178,039</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	20,543,833	6,613,159
Series T	<u>3,456,110</u>	<u>1,406,335</u>
	<u>23,999,943</u>	<u>8,019,494</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(403,186)	449,147
Series T	<u>(95,790)</u>	<u>107,439</u>
	<u>(498,976)</u>	<u>556,586</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(102,751)	(48,707)
Series T	<u>(20,136)</u>	<u>(8,201)</u>
From return of capital		
Series T	<u>(167,258)</u>	<u>(101,719)</u>
	<u>(290,145)</u>	<u>(158,627)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	16,468,166	15,804,631
Series T	<u>3,260,599</u>	<u>2,890,018</u>
Reinvested distributions		
Series A	100,342	47,564
Series T	<u>76,396</u>	<u>60,072</u>
Payments on redemption		
Series A	(6,628,715)	(2,321,961)
Series T	<u>(637,321)</u>	<u>(897,834)</u>
	<u>12,639,467</u>	<u>15,582,490</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	9,433,856	13,930,674
Series T	<u>2,416,490</u>	<u>2,049,775</u>
	<u>11,850,346</u>	<u>15,980,449</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	29,977,689	20,543,833
Series T	<u>5,872,600</u>	<u>3,456,110</u>
	<u>35,850,289</u>	<u>23,999,943</u>

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Income Portfolio Class (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(498,976)	556,586
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(365,829)	(178,740)
Change in unrealized (gain) loss on non-derivative financial assets	1,110,746	(259,311)
Other non-cash transactions	(898,433)	(452,071)
Purchases of non-derivative financial assets and liabilities	(13,974,679)	(17,169,006)
Proceeds from sale of non-derivative financial assets and liabilities	2,189,300	2,127,033
Accrued investment income and other	(251)	(90)
Accrued expenses and other payables	—	(468)
Net cash provided by (used in) operating activities	(12,438,122)	(15,376,067)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	19,725,742	18,663,588
Amounts paid on redemption of redeemable shares	(7,215,281)	(3,074,536)
Distributions to shareholders of redeemable shares	(105,582)	(46,555)
Net cash provided by (used in) financing activities	12,404,879	15,542,497
Net increase (decrease) in cash	(33,243)	166,430
Cash (bank overdraft), beginning of period	204,113	37,683
CASH (BANK OVERDRAFT), END OF PERIOD	170,870	204,113
Interest paid ⁽¹⁾	237	74
Interest received, net of withholding taxes ⁽¹⁾	2,656	974

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 16.4%			
CI Cambridge Canadian Equity Corporate Class, Class I	43,843	930,547	875,855
Dynamic Dividend Advantage Fund Series O [†]	140,766	1,036,786	954,391
Dynamic Small Business Fund Series O [†]	68,629	1,221,106	1,111,791
Scotia Canadian Dividend Fund Series I [†]	39,346	2,355,914	2,343,744
Scotia Private Canadian All Cap Equity Pool Series I [†]	66,202	690,801	601,820
		<u>6,235,154</u>	<u>5,887,601</u>
FIXED INCOME FUNDS – 59.1%			
Dynamic Canadian Bond Fund Series O [†]	462,934	2,388,565	2,351,705
Dynamic Total Return Bond Fund Series O [†]	490,541	4,719,245	4,699,379
PIMCO Monthly Income Fund (Canada) Series I	255,970	3,627,116	3,550,815
Scotia Canadian Income Fund Series I [†]	353,502	4,771,120	4,695,891
Scotia Private Canadian Corporate Bond Pool Series I [†]	560,440	6,012,416	5,890,339
		<u>21,518,462</u>	<u>21,188,129</u>
FOREIGN EQUITY FUNDS – 24.2%			
AGF Global Dividend Fund Series O	35,123	994,766	954,382
Dynamic Global Infrastructure Fund Series O [†]	30,901	604,912	591,756
Mackenzie Ivy Foreign Equity Fund Series O	123,606	1,606,857	1,555,575
Mackenzie US Mid Cap Growth Class Series O	10,982	493,280	540,128
Mawer International Equity Fund Class O	31,387	1,798,628	1,691,031
Mawer U.S. Equity Fund Series O	20,920	917,460	980,229
Scotia Private Global Credit Pool Series I [†]	252,265	2,464,194	2,351,261
		<u>8,880,097</u>	<u>8,664,362</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>36,633,713</u></u>	<u><u>35,740,092</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			110,197
NET ASSETS – 100.0%			<u><u>35,850,289</u></u>

[†] Investment in related party (note 10)

Scotia Partners Balanced Income Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2018 or December 31, 2017.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$3,574,009 (December 31, 2017 – \$2,388,520). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	16.4	17.4
Fixed Income Funds	59.1	57.6
Foreign Equity Funds	24.2	24.5

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	35,740,092	–	–	35,740,092
	35,740,092	–	–	35,740,092

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	23,885,197	–	–	23,885,197
	23,885,197	–	–	23,885,197

Transfers between levels

During the periods ended December 31, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Income Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	2,351,261	0.6
Dynamic Dividend Advantage Fund Series O	954,391	0.2
Dynamic Canadian Bond Fund Series O	2,351,705	0.2
Mackenzie US Mid Cap Growth Class Series O	540,128	0.2
Dynamic Small Business Fund Series O	1,111,791	0.1
Scotia Private Canadian All Cap Equity Pool Series I	601,820	0.1
Dynamic Total Return Bond Fund Series O	4,699,379	0.1
Scotia Canadian Income Fund Series I	4,695,891	0.1
Scotia Private Canadian Corporate Bond Pool Series I	5,890,339	0.1
Dynamic Global Infrastructure Fund Series O	591,756	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	875,855	0.0
Scotia Canadian Dividend Fund Series I	2,343,744	0.0
PIMCO Monthly Income Fund (Canada) Series I	3,550,815	0.0
AGF Global Dividend Fund Series O	954,382	0.0
Mackenzie Ivy Foreign Equity Fund Series O	1,555,575	0.0
Mawer International Equity Fund Class O	1,691,031	0.0
Mawer U.S. Equity Fund Series O	980,229	0.0
	35,740,092	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Global Credit Pool Series I	1,543,597	0.4
Dynamic Dividend Advantage Fund Series O	675,447	0.1
Dynamic Small Business Fund Series O	799,511	0.1
Scotia Private Canadian All Cap Equity Pool Series I	432,451	0.1
Dynamic 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	

Comparison of net asset value and net assets per unit (note 2)

As at December 31, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Balanced Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	25,525,241	16,954,594
Cash	95,749	180,009
Subscriptions receivable	16,534	21,584
Accrued investment income and other	98	138
	<u>25,637,622</u>	<u>17,156,325</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	110,000
Redemptions payable	21,069	5,000
Distributions payable	15,054	8,812
	<u>36,123</u>	<u>123,812</u>
Net assets attributable to holders of redeemable shares	<u>25,601,499</u>	<u>17,032,513</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	21,401,968	13,886,776
Series T	<u>4,199,531</u>	<u>3,145,737</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.07	11.43
Series T	<u>14.55</u>	<u>15.75</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	363,082	186,575
Interest for distribution purposes	277,062	123,421
Net realized gain (loss) on non-derivative financial assets	356,060	159,495
Change in unrealized gain (loss) on non-derivative financial assets	(1,167,284)	524,078
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(171,080)	993,569
Other income	2,077	1,048
Total income (loss), net	<u>(169,003)</u>	<u>994,617</u>
EXPENSES		
Management fees (note 5)	453,093	222,194
Fixed administration fees (note 6)	23,235	11,390
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	208	86
Foreign withholding taxes/tax reclaims	7,688	7,010
Harmonized Sales Tax/Goods and Services Tax	49,306	24,313
Total expenses	<u>534,779</u>	<u>266,128</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(703,782)</u>	<u>728,489</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(581,837)	598,423
Series T	<u>(121,945)</u>	<u>130,066</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.36)	0.69
Series T	<u>(0.42)</u>	<u>1.12</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,633,025	863,992
Series T	<u>290,328</u>	<u>116,183</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	13,886,776	5,317,385
Series T	3,145,737	1,318,264
	<u>17,032,513</u>	<u>6,635,649</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(581,837)	598,423
Series T	<u>(121,945)</u>	<u>130,066</u>
	<u>(703,782)</u>	<u>728,489</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(133,057)	(42,640)
Series T	(26,171)	(9,668)
From return of capital		
Series T	<u>(203,275)</u>	<u>(81,143)</u>
	<u>(362,503)</u>	<u>(133,451)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	12,718,208	10,545,180
Series T	3,141,964	2,029,572
Reinvested distributions		
Series A	132,225	42,475
Series T	79,235	29,009
Payments on redemption		
Series A	(4,620,347)	(2,574,047)
Series T	<u>(1,816,014)</u>	<u>(270,363)</u>
	<u>9,635,271</u>	<u>9,801,826</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	7,515,192	8,569,391
Series T	<u>1,053,794</u>	<u>1,827,473</u>
	<u>8,568,986</u>	<u>10,396,864</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	21,401,968	13,886,776
Series T	<u>4,199,531</u>	<u>3,145,737</u>
	<u>25,601,499</u>	<u>17,032,513</u>

The accompanying notes are an integral part of the financial statements.

Scotia Partners Balanced Growth Portfolio Class (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(703,782)	728,489
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(356,060)	(159,495)
Change in unrealized (gain) loss on non-derivative financial assets	1,167,284	(524,078)
Other non-cash transactions	(630,296)	(302,184)
Purchases of non-derivative financial assets and liabilities	(11,777,014)	(11,223,423)
Proceeds from sale of non-derivative financial assets and liabilities	2,915,440	1,911,417
Accrued investment income and other	40	(37)
Accrued expenses and other payables	-	(417)
Net cash provided by (used in) operating activities	(9,384,388)	(9,569,728)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	15,865,221	12,621,286
Amounts paid on redemption of redeemable shares	(6,420,292)	(2,839,410)
Distributions to shareholders of redeemable shares	(144,801)	(57,037)
Net cash provided by (used in) financing activities+A34	9,300,128	9,724,839
Net increase (decrease) in cash	(84,260)	155,111
Cash (bank overdraft), beginning of period	180,009	24,898
CASH (BANK OVERDRAFT), END OF PERIOD	95,749	180,009
Interest paid ⁽¹⁾	208	86
Interest received, net of withholding taxes ⁽¹⁾	2,200	765

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 27.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	43,717	931,930	873,349
Dynamic Small Business Fund Series O [†]	62,127	1,101,005	1,006,448
Dynamic Value Fund of Canada Series O [†]	70,908	792,370	749,503
Scotia Canadian Dividend Fund Series I [†]	40,243	2,409,756	2,397,171
Scotia Private Canadian All Cap Equity Pool Series I [†]	96,524	1,004,944	877,473
Scotia Private Fundamental Canadian Equity Pool Series I [†]	114,322	1,168,092	1,083,004
		<u>7,408,097</u>	<u>6,986,948</u>
FIXED INCOME FUNDS – 36.6%			
Dynamic Total Return Bond Fund Series O [†]	192,402	1,843,667	1,843,210
PIMCO Monthly Income Fund (Canada) Series I	112,598	1,595,657	1,561,960
Scotia Canadian Income Fund Series I [†]	256,789	3,464,605	3,411,159
Scotia Private Canadian Corporate Bond Pool Series I [†]	242,521	2,601,693	2,548,946
		<u>9,505,622</u>	<u>9,365,275</u>
FOREIGN EQUITY FUNDS – 35.8%			
AGF Global Dividend Fund Series O	44,361	1,253,144	1,205,415
Dynamic Global Equity Fund Series O [†]	81,851	1,198,229	1,213,846
Dynamic Global Infrastructure Fund Series O [†]	42,637	826,643	816,505
Mackenzie Emerging Markets Fund Series O	46,346	430,773	386,291
Mackenzie Ivy Foreign Equity Fund Series O	30,267	391,501	380,908
Mackenzie US Mid Cap Growth Class Series O	17,048	766,135	838,519
Mawer International Equity Fund Class O	23,142	1,325,367	1,246,797
Mawer U.S. Equity Fund Series O	26,344	1,148,825	1,234,346
Scotia Global Growth Fund Series I [†]	10,525	786,952	815,307
Scotia Private Global Credit Pool Series I [†]	111,053	1,090,193	1,035,084
		<u>9,217,762</u>	<u>9,173,018</u>
TOTAL INVESTMENT PORTFOLIO		<u>26,131,481</u>	<u>25,525,241</u>
OTHER ASSETS, LESS LIABILITIES – 0.3%			<u>76,258</u>
NET ASSETS – 100.0%			<u>25,601,499</u>

[†] Investment in related party (note 10)

Scotia Partners Balanced Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2018 or December 31, 2017.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.7% (December 31, 2017 – 99.5%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$2,552,524 (December 31, 2017 – \$1,695,459). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	27.3	28.1
Fixed Income Funds	36.6	35.5
Foreign Equity Funds	35.8	35.9

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	25,525,241	–	–	25,525,241
	25,525,241	–	–	25,525,241

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	16,954,594	–	–	16,954,594
	16,954,594	–	–	16,954,594

Transfers between levels

During the periods ended December 31, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Balanced Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	1,083,004	0.4
Mackenzie Emerging Markets Fund Series O	386,291	0.4
Mackenzie US Mid Cap Growth Class Series O	838,519	0.3
Scotia Private Global Credit Pool Series I	1,035,084	0.3
Dynamic Small Business Fund Series O	1,006,448	0.1
Dynamic Value Fund of Canada Series O	749,503	0.1
Scotia Private Canadian All Cap Equity Pool Series I	877,473	0.1
Dynamic Total Return Bond Fund Series O	1,843,210	0.1
Scotia Canadian Income Fund Series I	3,411,159	0.1
Dynamic Global Equity Fund Series O	1,213,846	0.1
Dynamic Global Infrastructure Fund Series O	816,505	0.1
Scotia Global Growth Fund Series I	815,307	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	873,349	0.0
Scotia Canadian Dividend Fund Series I	2,397,171	0.0
PIMCO Monthly Income Fund (Canada) Series I	1,561,960	0.0
Scotia Private Canadian Corporate Bond Pool Series I	2,548,946	0.0
AGF Global Dividend Fund Series O	1,205,415	0.0
Mackenzie Ivy Foreign Equity Fund Series O	380,908	0.0
Mawer International Equity Fund Class O	1,246,797	0.0
Mawer U.S. Equity Fund Series O	1,234,346	0.0
	25,525,241	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Fundamental Canadian Equity Pool Series I	727,736	0.3
Scotia Private Canadian All Cap Equity Pool Series I	600,405	0.2
Scotia Private Global Credit Pool Series I	675,003	0.2
Dynamic Small Business Fund Series O	686,739	0.1
Dynamic Global Equity Fund Series O	803,451	0.1
Scotia Global Growth Fund Series I	553,798	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	598,271	0.0
Dynamic Value Fund of Canada Series O	513,255	0.0
Scotia Canadian Dividend Fund Series I	1,667,588	0.0
Dynamic 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	

Comparison of net asset value and net assets per unit (note 2)

As at December 31, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	15,783,959	8,778,801
Cash	75,148	90,989
Subscriptions receivable	30,796	38,185
Accrued investment income and other	206	64
	<u>15,890,109</u>	<u>8,908,039</u>
LIABILITIES		
Current liabilities		
Payable for securities purchased	–	47,600
Redemptions payable	–	2,300
Distributions payable	3,632	2,683
	<u>3,632</u>	<u>52,583</u>
Net assets attributable to holders of redeemable shares	<u>15,886,477</u>	<u>8,855,456</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	14,525,377	7,778,615
Series T	<u>1,361,100</u>	<u>1,076,841</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.29	11.80
Series T	<u>14.87</u>	<u>16.33</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	234,944	95,708
Interest for distribution purposes	101,872	39,296
Net realized gain (loss) on non-derivative financial assets	240,829	126,328
Change in unrealized gain (loss) on non-derivative financial assets	(954,021)	372,482
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(376,376)	633,814
Other income	473	1,290
Total income (loss), net	<u>(375,903)</u>	<u>635,104</u>
EXPENSES		
Management fees (note 5)	276,138	118,415
Fixed administration fees (note 6)	13,470	5,772
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	143	54
Foreign withholding taxes/tax reclaims	8,818	5,309
Harmonized Sales Tax/Goods and Services Tax	28,660	13,033
Total expenses	<u>328,478</u>	<u>143,718</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(704,381)</u>	<u>491,386</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(638,237)	448,035
Series T	<u>(66,144)</u>	<u>43,351</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.62)	0.96
Series T	<u>(0.89)</u>	<u>1.52</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	1,034,740	468,306
Series T	<u>74,679</u>	<u>28,517</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	7,778,615	3,084,441
Series T	1,076,841	246,933
	<u>8,855,456</u>	<u>3,331,374</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(638,237)	448,035
Series T	(66,144)	43,351
	<u>(704,381)</u>	<u>491,386</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(89,083)	(24,686)
Series T	(8,382)	(3,420)
From return of capital		
Series T	(51,081)	(20,171)
	<u>(148,546)</u>	<u>(48,277)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	10,543,078	5,399,641
Series T	757,482	924,726
Reinvested distributions		
Series A	88,680	24,686
Series T	30,722	13,829
Payments on redemption		
Series A	(3,157,676)	(1,153,502)
Series T	(378,338)	(128,407)
	<u>7,883,948</u>	<u>5,080,973</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	6,746,762	4,694,174
Series T	284,259	829,908
	<u>7,031,021</u>	<u>5,524,082</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	14,525,377	7,778,615
Series T	1,361,100	1,076,841
	<u>15,886,477</u>	<u>8,855,456</u>

The accompanying notes are an integral part of the financial statements.

Scotia Partners Growth Portfolio Class (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(704,381)	491,386
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(240,829)	(126,328)
Change in unrealized (gain) loss on non-derivative financial assets	954,021	(372,482)
Other non-cash transactions	(326,500)	(129,333)
Purchases of non-derivative financial assets and liabilities	(9,401,378)	(6,001,832)
Proceeds from sale of non-derivative financial assets and liabilities	1,961,929	1,206,434
Accrued investment income and other	(142)	(36)
Accrued expenses and other payables	—	(228)
Net cash provided by (used in) operating activities	(7,757,280)	(4,932,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	11,275,006	6,286,932
Amounts paid on redemption of redeemable shares	(3,505,372)	(1,279,610)
Distributions to shareholders of redeemable shares	(28,195)	(7,141)
Net cash provided by (used in) financing activities	7,741,439	5,000,181
Net increase (decrease) in cash	(15,841)	67,762
Cash (bank overdraft), beginning of period	90,989	23,227
CASH (BANK OVERDRAFT), END OF PERIOD	75,148	90,989
Interest paid ⁽¹⁾	143	54
Interest received, net of withholding taxes ⁽¹⁾	1,356	325

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 32.0%			
CI Cambridge Canadian Equity Corporate Class, Class I	58,324	1,242,416	1,165,141
Dynamic Small Business Fund Series O [†]	48,046	858,149	778,351
Dynamic Value Fund of Canada Series O [†]	72,464	811,508	765,944
Scotia Canadian Dividend Fund Series I [†]	21,069	1,271,226	1,255,018
Scotia Private Canadian All Cap Equity Pool Series I [†]	68,608	716,259	623,695
Scotia Private Fundamental Canadian Equity Pool Series I [†]	52,764	541,703	499,853
		<u>5,441,261</u>	<u>5,088,002</u>
FIXED INCOME FUNDS – 22.9%			
Dynamic Total Return Bond Fund Series O [†]	63,091	602,958	604,410
PIMCO Monthly Income Fund (Canada) Series I	43,634	617,623	605,290
Scotia Canadian Income Fund Series I [†]	106,431	1,429,465	1,413,822
Scotia Private Canadian Corporate Bond Pool Series I [†]	96,093	1,026,921	1,009,952
		<u>3,676,967</u>	<u>3,633,474</u>
FOREIGN EQUITY FUNDS – 44.5%			
Dynamic Global Equity Fund Series O [†]	69,803	1,033,231	1,035,185
Dynamic Global Infrastructure Fund Series O [†]	16,481	321,785	315,604
Invesco Global Endeavour Fund Series I	10,485	398,561	398,404
Invesco International Growth Fund Series I	78,144	754,634	676,568
Mackenzie Emerging Markets Fund Series O	71,487	664,787	595,841
Mackenzie US Mid Cap Growth Class Series O	14,469	652,650	711,654
Mawer International Equity Fund Class O	18,494	1,069,409	996,387
Mawer U.S. Equity Fund Series O	20,059	887,560	939,870
Scotia Global Growth Fund Series I [†]	12,767	978,395	988,942
Scotia Private Global Credit Pool Series I [†]	43,348	422,522	404,028
		<u>7,183,534</u>	<u>7,062,483</u>
TOTAL INVESTMENT PORTFOLIO		<u>16,301,762</u>	<u>15,783,959</u>
OTHER ASSETS, LESS LIABILITIES – 0.6%			<u>102,518</u>
NET ASSETS – 100.0%			<u>15,886,477</u>

[†] Investment in related party (note 10)

Scotia Partners Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2018 or December 31, 2017.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.4% (December 31, 2017 – 99.1%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$1,578,396 (December 31, 2017 – \$877,880). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	32.0	32.8
Fixed Income Funds	22.9	22.0
Foreign Equity Funds	44.5	44.3

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2018	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	15,783,959	–	–	15,783,959
	15,783,959	–	–	15,783,959

December 31, 2017	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying funds	8,778,801	–	–	8,778,801
	8,778,801	–	–	8,778,801

Transfers between levels

During the periods ended December 31, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Mackenzie Emerging Markets Fund Series O	595,841	0.6
Mackenzie US Mid Cap Growth Class Series O	711,654	0.3
Scotia Private Fundamental Canadian Equity Pool Series I	499,853	0.2
Invesco International Growth Fund Series I	676,568	0.2
Dynamic Small Business Fund Series O	778,351	0.1
Dynamic Value Fund of Canada Series O	765,944	0.1
Scotia Private Canadian All Cap Equity Pool Series I	623,695	0.1
Dynamic Global Equity Fund Series O	1,035,185	0.1
Scotia Global Growth Fund Series I	988,942	0.1
Scotia Private Global Credit Pool Series I	404,028	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	1,165,141	0.0
Scotia Canadian Dividend Fund Series I	1,255,018	0.0
Dynamic Total Return Bond Fund Series O	604,410	0.0
PIMCO Monthly Income Fund (Canada) Series I	605,290	0.0
Scotia Canadian Income Fund Series I	1,413,822	0.0
Scotia Private Canadian Corporate Bond Pool Series I	1,009,952	0.0
Dynamic Global Infrastructure Fund Series O	315,604	0.0
Invesco Global Endeavour Fund Series I	398,404	0.0
Mawer International Equity Fund Class O	996,387	0.0
Mawer U.S. Equity Fund Series O	939,870	0.0
	15,783,959	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Scotia Private Canadian All Cap Equity Pool Series I	354,757	0.1
Scotia Private Fundamental Canadian Equity Pool Series I	286,251	0.1
Dynamic Global Equity Fund Series O	569,977	0.1
Invesco International Growth Fund Series I	377,664	0.1
Scotia Global Growth Fund Series I	553,643	0.1
Scotia Private Global Credit Pool Series I	217,995	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	655,847	0.0
Dynamic Small Business Fund Series O	441,866	0.0
Dynamic Value Fund of Canada Series O	440,637	0.0
Scotia Canadian Dividend Fund Series I	724,186	0.0
Dynamic 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	

Comparison of net asset value and net assets per unit (note 2)

As at December 31, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

Scotia Partners Maximum Growth Portfolio Class

STATEMENTS OF FINANCIAL POSITION

As at

(in dollars)	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Financial assets at fair value through profit or loss (note 2)		
Non-derivative financial assets	3,982,755	2,967,725
Cash	18,666	17,589
Subscriptions receivable	18,067	—
Accrued investment income and other	38	22
	<u>4,019,526</u>	<u>2,985,336</u>
LIABILITIES		
Current liabilities		
Redemptions payable	300	300
Distributions payable	703	303
	<u>1,003</u>	<u>603</u>
Net assets attributable to holders of redeemable shares	<u>4,018,523</u>	<u>2,984,733</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SERIES		
Series A	3,518,714	2,700,044
Series T	<u>499,809</u>	<u>284,689</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES PER SHARE		
Series A	11.35	12.03
Series T	<u>15.00</u>	<u>16.57</u>

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended December 31 (note 1),

(in dollars except average units)	2018	2017
INCOME		
Dividends	64,258	33,504
Interest for distribution purposes	13,620	5,497
Net realized gain (loss) on non-derivative financial assets	93,415	38,558
Change in unrealized gain (loss) on non-derivative financial assets	<u>(281,297)</u>	<u>130,571</u>
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	(110,004)	208,130
Other income	19	—
Total income (loss), net	<u>(109,985)</u>	<u>208,130</u>
EXPENSES		
Management fees (note 5)	81,160	38,015
Fixed administration fees (note 6)	3,775	1,766
Independent Review Committee fees	1,249	1,135
Interest expense and bank overdraft charges	105	37
Foreign withholding taxes/tax reclaims	2,629	2,172
Harmonized Sales Tax/Goods and Services Tax	7,575	4,661
Total expenses	<u>96,493</u>	<u>47,786</u>
Increase (decrease) in net assets attributable to holders of redeemable shares from operations	<u>(206,478)</u>	<u>160,344</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SERIES		
Series A	(185,814)	147,233
Series T	<u>(20,664)</u>	<u>13,111</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS PER SHARE[†]		
Series A	(0.68)	1.05
Series T	<u>(0.76)</u>	<u>1.34</u>
WEIGHTED AVERAGE NUMBER OF SHARES PER SERIES		
Series A	274,383	139,640
Series T	<u>27,258</u>	<u>9,817</u>

[†] The increase (decrease) in net assets attributable to holders of redeemable shares from operations per share is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable shares from operations per series by the weighted average number of shares per series.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, BEGINNING OF PERIOD		
Series A	2,700,044	942,359
Series T	284,689	5,409
	<u>2,984,733</u>	<u>947,768</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS		
Series A	(185,814)	147,233
Series T	<u>(20,664)</u>	<u>13,111</u>
	<u>(206,478)</u>	<u>160,344</u>
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE SHARES		
From net investment income		
Series A	(25,500)	(7,947)
Series T	(3,606)	(839)
From return of capital		
Series T	<u>(18,418)</u>	<u>(7,109)</u>
	<u>(47,524)</u>	<u>(15,895)</u>
REDEEMABLE SHARE TRANSACTIONS		
Proceeds from issue		
Series A	1,573,915	1,909,381
Series T	383,459	269,859
Reinvested distributions		
Series A	25,500	7,947
Series T	18,435	6,958
Payments on redemption		
Series A	(569,431)	(298,929)
Series T	<u>(144,086)</u>	<u>(2,700)</u>
	<u>1,287,792</u>	<u>1,892,516</u>
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES		
Series A	818,670	1,757,685
Series T	<u>215,120</u>	<u>279,280</u>
	<u>1,033,790</u>	<u>2,036,965</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES, END OF PERIOD		
Series A	3,518,714	2,700,044
Series T	<u>499,809</u>	<u>284,689</u>
	<u>4,018,523</u>	<u>2,984,733</u>

The accompanying notes are an integral part of the financial statements.

Scotia Partners Maximum Growth Portfolio Class (Continued)

STATEMENTS OF CASH FLOWS

For the periods ended December 31 (note 1),

(in dollars)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets attributable to holders of redeemable shares	(206,478)	160,344
Adjustments for:		
Net realized (gain) loss on non-derivative financial assets	(93,415)	(38,558)
Change in unrealized (gain) loss on non-derivative financial assets	281,297	(130,571)
Other non-cash transactions	(74,862)	(36,697)
Purchases of non-derivative financial assets and liabilities	(1,800,670)	(2,121,055)
Proceeds from sale of non-derivative financial assets and liabilities	672,620	303,858
Accrued investment income and other	(16)	(21)
Accrued expenses and other payables	—	(123)
Net cash provided by (used in) operating activities	(1,221,524)	(1,862,823)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable shares	1,939,307	2,179,240
Amounts paid on redemption of redeemable shares	(713,517)	(301,329)
Distributions to shareholders of redeemable shares	(3,189)	(688)
Net cash provided by (used in) financing activities	1,222,601	1,877,223
Net increase (decrease) in cash	1,077	14,400
Cash (bank overdraft), beginning of period	17,589	3,189
CASH (BANK OVERDRAFT), END OF PERIOD	18,666	17,589
Interest paid ⁽¹⁾	105	37
Interest received, net of withholding taxes ⁽¹⁾	371	110

⁽¹⁾ Classified as operating items.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2018

Issuer	Number of Units	Average Cost (\$)	Carrying Value (\$)
CANADIAN EQUITY FUNDS – 39.3%			
CI Cambridge Canadian Equity Corporate Class, Class I	23,461	498,398	468,689
Dynamic Small Business Fund Series O [†]	14,602	260,063	236,546
Dynamic Value Fund of Canada Series O [†]	22,220	246,170	234,868
Scotia Canadian Dividend Fund Series I [†]	4,009	238,997	238,811
Scotia Private Canadian All Cap Equity Pool Series I [†]	26,367	271,606	239,694
Scotia Private Fundamental Canadian Equity Pool Series I [†]	16,813	170,970	159,272
		<u>1,686,204</u>	<u>1,577,880</u>
FIXED INCOME FUNDS – 7.5%			
Scotia Canadian Income Fund Series I [†]	15,042	202,426	199,823
Scotia Private Canadian Corporate Bond Pool Series I [†]	9,496	101,932	99,803
		<u>304,358</u>	<u>299,626</u>
FOREIGN EQUITY FUNDS – 52.4%			
Dynamic Global Equity Fund Series O [†]	20,139	293,845	298,667
Dynamic Global Infrastructure Fund Series O [†]	5,157	99,772	98,753
Invesco Global Endeavour Fund Series I	3,190	119,040	121,233
Invesco International Growth Fund Series I	22,803	220,642	197,431
Mackenzie Emerging Markets Fund Series O	21,531	201,102	179,461
Mackenzie US Mid Cap Growth Class Series O	4,353	192,449	214,097
Mawer International Equity Fund Class O	5,503	315,803	296,476
Mawer U.S. Equity Fund Series O	6,323	274,059	296,257
Scotia Global Growth Fund Series I [†]	3,926	292,564	304,110
Scotia Private Global Credit Pool Series I [†]	10,596	104,087	98,764
		<u>2,113,363</u>	<u>2,105,249</u>
TOTAL INVESTMENT PORTFOLIO		<u><u>4,103,925</u></u>	<u><u>3,982,755</u></u>
OTHER ASSETS, LESS LIABILITIES – 0.8%			<u>35,768</u>
NET ASSETS – 100.0%			<u><u>4,018,523</u></u>

[†] Investment in related party (note 10)

Scotia Partners Maximum Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

The Fund (note 1)

The Fund's investment 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. 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.

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, 2018 and December 31, 2017. Accordingly, the Fund is not directly subject to significant risk due to fluctuations in the prevailing levels of market interest rates.

Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2018 or December 31, 2017.

Price risk

Price risk is the risk that the carrying value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Direct exposure to price risk is mainly in equities, underlying funds, derivatives and commodities, as applicable. As at December 31, 2018, approximately 99.2% (December 31, 2017 – 99.4%) of the Fund's net assets were directly exposed to price risk. If prices of these instruments had decreased or increased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased, respectively, by approximately \$398,276 (December 31, 2017 – \$296,773). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

The Fund had no significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2018 or December 31, 2017.

Concentration risk

Concentration risk arises as a result of the concentration of financial instruments within the same category, geographical location, asset type or industry sector, as applicable. The table below is a summary of

the Fund's concentration risk by carrying value as a percentage of net assets:

	Percentage of net assets (%)	
	December 31, 2018	December 31, 2017
Canadian Equity Funds	39.3	39.7
Fixed Income Funds	7.5	7.3
Foreign Equity Funds	52.4	52.4

Fair Value Classification (note 2)

The tables below illustrate the classification of the Fund's financial instruments within the fair value hierarchy.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2018				
Underlying funds	3,982,755	–	–	3,982,755
	3,982,755	–	–	3,982,755

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
December 31, 2017				
Underlying funds	2,967,725	–	–	2,967,725
	2,967,725	–	–	2,967,725

Transfers between levels

During the periods ended December 31, 2018 and December 31, 2017, there were no significant transfers between Level 1 and Level 2.

Offsetting of financial assets and liabilities (note 2)

As at December 31, 2018 and December 31, 2017, the Fund did not enter into any agreement whereby the financial instruments were eligible for offset.

Scotia Partners Maximum Growth Portfolio Class (Continued)

FUND SPECIFIC NOTES

For the periods indicated in Note 1

Interest in Underlying Funds (note 2)

Below is a summary of the Underlying Funds owned by the Fund.

Underlying Fund	December 31, 2018	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
Mackenzie Emerging Markets Fund Series O	179,461	0.2
Scotia Private Fundamental Canadian Equity Pool Series I	159,272	0.1
Mackenzie US Mid Cap Growth Class Series O	214,097	0.1
CI Cambridge Canadian Equity Corporate Class, Class I	468,689	0.0
Dynamic Small Business Fund Series O	236,546	0.0
Dynamic Value Fund of Canada Series O	234,868	0.0
Scotia Canadian Dividend Fund Series I	238,811	0.0
Scotia Private Canadian All Cap Equity Pool Series I	239,694	0.0
Scotia Canadian Income Fund Series I	199,823	0.0
Scotia Private Canadian Corporate Bond Pool Series I	99,803	0.0
Dynamic Global Equity Fund Series O	298,667	0.0
Dynamic Global Infrastructure Fund Series O	98,753	0.0
Invesco Global Endeavour Fund Series I	121,233	0.0
Invesco International Growth Fund Series I	197,431	0.0
Mawer International Equity Fund Class O	296,476	0.0
Mawer U.S. Equity Fund Series O	296,257	0.0
Scotia Global Growth Fund Series I	304,110	0.0
Scotia Private Global Credit Pool Series I	98,764	0.0
	<u>3,982,755</u>	

Underlying Fund	December 31, 2017	
	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
CI Cambridge Canadian Equity Corporate Class, Class I	353,641	0.0
Dynamic Small Business Fund Series O	179,868	0.0
Dynamic Value Fund of Canada Series O	177,422	0.0
Scotia Canadian Dividend Fund Series I	177,132	0.0
Scotia Private Canadian All Cap Equity Pool Series I	179,004	0.0
Scotia Private Fundamental Canadian Equity Pool Series I	118,117	0.0
Scotia Canadian Income Fund Series I	145,039	0.0
Scotia Private Canadian Corporate Bond Pool Series I	72,560	0.0
Dynamic Global Equity Fund Series O	221,417	0.0
Dynamic Global Infrastructure Fund Series O	75,079	0.0
Invesco International Growth Fund Series I	148,607	0.0
Mackenzie Emerging Markets Class Series O	136,956	0.0
Mackenzie US Mid Cap Growth Class Series O	159,476	0.0
Mawer International Equity Fund Class O	223,433	0.0
Mawer U.S. Equity Fund Class O	214,545	0.0
Scotia Global Growth Fund Series I	221,024	0.0
Scotia Private Global Credit Pool Series I	72,530	0.0
Trimark Global Endeavour Fund Series I	91,875	0.0
	<u>2,967,725</u>	

Comparison of net asset value and net assets per unit (note 2)

As at December 31, 2018 or December 31, 2017, there were no differences between the net asset value per unit and the net assets per unit for any series of the Fund.

NOTES TO THE FINANCIAL STATEMENTS

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. (the “Corporation”) is a multi-class open-ended mutual fund corporation formed by articles of incorporation under the laws of Canada on April 17, 2012, as amended from time to time. Each Corporate Class Fund is a class of shares of the Corporation. These financial statements only present the financial information of each of the Corporate Class Funds, each as its own reporting entity. As the Corporation as a whole is liable for the expenses and obligations of all classes, there exists the possibility that if a Corporate Class Fund cannot satisfy its own obligations, they may be satisfied using assets attributable to other Corporate Class Funds within the Corporation. The Manager, however, believes that the risk of cross-class liability is remote and is diligent to minimize such liability.

The Statements of Financial Position of each of the Funds are as at December 31, 2018 and 2017, as applicable, and the Statements of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash Flows are for the years ended December 31, 2018 and 2017, as applicable, except for Funds that incepted during either period, where the information presented is for the period from the Fund’s inception date to December 31, 2018 or 2017, as applicable. The Schedule of Investment Portfolio for each of the Funds is as at December 31, 2018. Throughout this document, reference to the period or periods refers to the reporting periods described above.

These financial statements were approved and authorized for issue on March 08, 2019 by the Board of Directors of the Corporation, with respect to the Corporate Class Funds and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as Trustee of the Trust Funds.

The investment objectives for each of the Funds are provided in the respective Fund’s “Fund Specific Notes”. The inception date for each Fund is as follows:

Trust Funds	Inception Date
1832 AM Investment Grade U.S. Corporate Bond Pool	October 9, 2018
Scotia Aria Conservative Build Portfolio	November 19, 2014
Scotia Aria Conservative Defend Portfolio	November 19, 2014
Scotia Aria Conservative Pay Portfolio	November 19, 2014
Scotia Aria Equity Build Portfolio	October 9, 2018
Scotia Aria Equity Defend Portfolio	October 9, 2018
Scotia Aria Equity Pay Portfolio	October 9, 2018
Scotia Aria Moderate Build Portfolio	November 19, 2014
Scotia Aria Moderate Defend 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	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 Bond Index Fund	September 20, 1999
Scotia Canadian Dividend Fund	October 28, 1992
Scotia Canadian Equity Fund (Formerly Scotia Canadian Blue Chip Fund)	December 31, 1986
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 Fixed Income Portfolio (Formerly 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 Global Balanced Fund	August 26, 2010
Scotia Global Bond Fund	July 4, 1994
Scotia Global Dividend Fund	August 26, 2010
Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)	November 30, 2000
Scotia Global Growth Fund	February 20, 1961
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 Equity Fund (Formerly Scotia International Value Fund)	November 30, 2000
Scotia International Index Fund	September 20, 1999
Scotia Latin American Fund	August 18, 1994
Scotia Money Market Fund	August 30, 1990
Scotia Mortgage Income Fund	September 22, 1992
Scotia Nasdaq Index Fund	November 30, 2000
Scotia Pacific Rim Fund	August 18, 1994
Scotia Partners Balanced Growth Portfolio	November 29, 2002
Scotia Partners Balanced Income Portfolio	November 29, 2002
Scotia Partners Growth Portfolio	November 29, 2002
Scotia Partners Income Portfolio	August 26, 2010
Scotia Partners Maximum Growth Portfolio	November 29, 2002
Scotia Premium T-Bill Fund**	July 10, 1992
Scotia Private Canadian All Cap Equity Pool	November 14, 2016
Scotia Private Canadian Corporate Bond Pool	October 30, 2003
Scotia Private Canadian Equity Pool	June 10, 2005

Trust Funds	Inception Date
Scotia Private Canadian Preferred Share Pool	November 25, 2011
Scotia Private Diversified International Equity Pool	October 9, 2018
Scotia Private Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)	January 27, 2014
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 International Growth Equity Pool	October 9, 2018
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 Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)	August 26, 2010
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 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. Dividend Fund	November 20, 2012
Scotia U.S. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)	December 31, 1986
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 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

* Effective July 24, 2015, units of this Fund are no longer offered.

**Effective November 10, 2017, units of this Fund are no longer offered.

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 were available through authorized dealers and brokers. They are no longer available for sale.

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 Series, Premium TL Series 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 accounting

These annual financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards (IFRS).

The preparation of these financial statements in accordance with IFRS requires the use of judgment in applying accounting policies and to make estimates and assumptions concerning the future. Significant accounting judgments and estimates made by the Manager are disclosed in Note 3.

Accounting standards effective January 1, 2018

The Funds, except for those incepted in 2018, have adopted IFRS 9, *Financial Instruments* in the current reporting period commencing January 1, 2018. The adoption of IFRS 9 has been applied retrospectively and does not result in a change to the classification or measurement of financial instruments.

Previously under IAS 39, the Funds classified investments, including derivatives, as financial assets or financial liabilities at fair value through profit or loss. This category had two sub categories: financial assets and financial liabilities as either held for trading or designated at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading were those acquired principally for the purpose of selling or repurchasing in the near future or on initial recognition as part of an identical portfolio of financial instruments that were managed together for which there was evidence of actual short-term profit taking. Derivatives and short positions were included in this category.

Financial assets and financial liabilities at fair value through profit or loss at inception were financial instruments that were not classified as held for trading but were managed and their performance was evaluated on a fair value basis in accordance with the respective Fund's investment strategy.

On adoption of IFRS 9, all investments and derivatives are classified as fair value through profit or loss.

(b) Financial instruments

Classification

The Funds classify investments, including derivatives and short positions, at fair value through profit or loss. Investment classification is based on both the Funds' business model for managing those investments and their contractual cash flow characteristics. The portfolio of investments is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess performance and to make decisions. The contractual cash flows of the Funds' debt securities are generally principal and interest, however, the collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Funds may sell securities short, in which a borrowed security is sold in anticipation of a decline in the market value of that security. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss.

Derivatives include warrants, swaps, options, futures and forward currency contracts. Derivative contracts that have a negative fair value are classified as financial liabilities at fair value through profit or loss.

As such, the Funds classify all investments and derivatives as financial assets or liabilities at fair value through profit or loss.

The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount.

Receivable for securities sold, subscription receivable, accrued investment income and other, and mortgage payments receivables are measured at amortized cost.

All other financial liabilities, other than those classified as fair value through profit or loss are measured at amortized cost.

Recognition and measurement

Regular purchases and sales of investments are recognized on the date on which the Funds initiate a trade to purchase or sell investments at fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income. Financial assets and liabilities at fair value through profit or loss are measured at fair value as presented below. Gains and losses arising from changes in their fair value are included in the Statements of Comprehensive Income for the periods in which they arise.

(c) Fair value measurement and hierarchy of financial instruments

Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants which make the maximum use of observable inputs.

IFRS 13, *Fair value measurement*, requires the use and disclosure of a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value of financial instruments. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets and the lowest priority to unobservable inputs. The three level hierarchy based on inputs levels are defined as follows:

- Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair value is based on inputs other than unadjusted quoted prices included in level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3: Fair value is based on at least one significant non-observable input that is not supported by market data for the financial assets or liabilities.

Changes in valuation methodology may result in transfers in and out of a level. The Funds' policy is to recognize these transfers as of the date of the event or circumstance giving rise to the transfer. The three level fair value hierarchy, transfers between levels and a reconciliation of level 3 financial instruments, as applicable, are disclosed in the respective Fund's "Fund Specific Notes".

The Manager is responsible for performing the fair value measurements included in the financial statements of the Funds, including level 3 measurements. The Manager obtains pricing from a third party pricing vendor, which is monitored and reviewed by the valuation team daily. At each financial reporting date, the Manager reviews and approves all level 3 fair value

measurements. The Manager also has a Valuation Committee which includes members of the finance team, as well as members of the investment counsel and compliance teams. The committee meets quarterly to perform detailed reviews of the valuations of investments held by the Funds.

Financial instruments are valued at their fair value as summarized below:

- (i) North American equities, including exchange traded funds and closed end funds, 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 mutual funds are valued based on the net asset value per unit provided by the underlying mutual funds' manager at the end of each valuation date.
- (v) Unlisted warrants are valued using the Black-Scholes option valuation model. The model factors in the time value of money and the volatility inputs significant to such valuation. For purposes of determining Net Asset Value as defined below, unlisted warrants are valued at their intrinsic value.
- (vi) Mortgages held by Scotia Mortgage Income Fund are valued at their fair value using the prevailing rate of return on new mortgages of similar type and term.
- (vii) Commodities held in Funds are valued based on the quoted price provided by an independent pricing source.
- (viii) Options contracts are valued at their mid-price as reported by the principal exchange or the over-the-counter market on which the contract is traded. All transactions in over-the-counter options are valued using quotations received from independent pricing sources. Options on futures are valued using settlement price determined by the exchange (if available); if no settlement price is available, the last reported closing sale price on the valuation date; or, if no closing sale price is available, the last reported settlement price.
- (ix) Futures contracts are valued at their settlement 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) Over-the-counter swap contracts are valued at the amount that the Funds would receive or pay to terminate the swap, based on the current value of the underlying interest on the valuation date; centrally cleared swaps listed or traded

on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange (if available).

- (xii) Over-the-counter swaption contracts are valued at the amount that the Funds would receive or pay to terminate the swaption, based on the current value of the underlying on the valuation date.

(d) Net Assets versus Net Asset Value

The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring their net asset value for transactions with unitholders in accordance with Part 14 of National Instrument 81-106 Investment Funds for Continuous Disclosure ("NI 81-106"), except where the last traded market price for financial assets and liabilities are not within the bid-ask spread or the Fund holds unlisted warrants, as described above. A comparison of the net assets per unit in accordance to IFRS ("Net Assets per unit") and the net asset value per unit calculated in accordance to NI 81-106 ("Net Asset Value per unit") is presented in the "Fund Specific Notes" for each Fund, as applicable.

(e) Income recognition

Gains and losses arising from changes in fair value of non-derivative financial assets are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on non-derivative financial assets", and as "Net realized gain (loss) on non-derivative financial assets" when positions are sold.

Gains and losses arising from changes in fair value of securities sold short are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on non-derivative financial liabilities", and as "Net realized gain (loss) on non-derivative financial liabilities" when positions are closed out, where applicable.

Gains and losses arising from changes in fair value of derivatives are shown in the Statements of Comprehensive Income as "Change in unrealized gain (loss) on derivatives", and as "Net realized gain (loss) on derivatives" when positions are closed out or have expired, where applicable.

The premium received or paid on options purchased or written are included in the cost of the options. Any difference resulting from revaluation at the reporting date is treated as "Change in unrealized gain (loss) on derivatives", while the gains and losses realized when the position is closed is included in the Statements of Comprehensive Income as "Net realized gain (loss) on derivatives".

Dividend income and distributions from Underlying Funds are recognized on the ex-dividend date. Where applicable, interest and dividends on investments sold short are accrued as earned and are reported as a liability in the Statements of Financial Position in "Payable for interest and dividends on securities sold short" and in the Statements of Comprehensive Income in "Dividend and interest expense on securities sold short". Distributions received from income trusts are recognized based on the nature of the underlying components such as dividend

income, interest income, capital gains, and return of capital by applying previous year characterizations reported by the trust as current year characterizations are not available until the following year. The interest income component of the distributions received from Underlying Funds are included as part of "Interest for distribution purposes" in the Statements of Comprehensive Income.

Interest for distribution purposes represents the coupon interest received by the Funds, recognized on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities. Realized gains or losses on the sale of short-term debt instruments are recorded as an adjustment to "Interest for distribution purposes".

For the Scotia Mortgage Income Fund, amortized guarantee fees are included in "Interest for distribution purposes".

(f) **Functional and presentation currency and foreign exchange translation**

The functional and reporting currency for all Funds except Scotia U.S. \$ Money Market Fund, Scotia U.S. \$ Bond Fund, Scotia U.S. \$ Balanced Fund, and 1832 AM Investment Grade U.S. Corporate Bond Pool (together the USD Funds) is the Canadian dollar. The functional and reporting currency for the USD Funds is the United States dollar. The functional currency is the currency of the primary economic environment in which the Funds operate, or where mixed indicators exist in the primary environment, the currency in which they primarily raise capital. Any currency other than functional currency represents foreign currency to the Funds. Amounts denominated in foreign currencies are converted into the functional currency as follows:

- (i) The fair values of investments, derivative contracts and monetary and non-monetary assets and liabilities at the rates of exchange prevailing as at the valuation date;
- (ii) Foreign income and expenses at the rates of exchange applicable on the respective dates of such transactions; and
- (iii) Purchase or sale of investments and investment income at the rate of exchange prevailing on the respective dates of such transactions.

Gains and losses on foreign exchange incurred in the Funds from monetary or non-monetary assets and liabilities other than investments and derivatives are shown in the Statements of Comprehensive Income as "Net realized and unrealized foreign currency translation gain (loss)".

(g) **Investments in unconsolidated structured entities**

Certain Funds may invest in mutual funds, exchange-traded funds or closed-ended funds managed by the Manager or third party investment managers. The relevant Funds consider all investments in such instruments ("Underlying Funds") to be investments in unconsolidated structured entities based on the fact that the decisions made by these Underlying Funds are not governed by voting rights or any other similar rights held by the Funds. The Funds account for these unconsolidated structured entities at fair value.

The Underlying Funds each have their own objectives and investment strategies which assist the Funds in achieving their investment objectives. The Underlying Funds primarily finance their operations by issuing redeemable units or shares which are puttable at the holder's option in the case of mutual funds and exchange-traded funds or through issuing non-redeemable units or partnership interests in the case of closed-ended funds. The Underlying Funds entitle the holder to a proportional stake in the respective fund's net assets. The Funds hold units, shares or partnership interests in each of their Underlying Funds. These investments are included in "Non-derivative financial assets" in the Statements of Financial Position. The change in fair value of each Underlying Fund is included in the Statements of Comprehensive Income in "Change in unrealized gain (loss) on non-derivative financial assets". The exposure to investments in Underlying Funds at fair value is disclosed in the Funds' "Fund Specific Notes". The Funds' maximum exposure to loss from their interests in Underlying Funds is equal to the total carrying value of their investments in Underlying Funds.

Mortgage-backed securities or asset-backed securities are also considered to be unconsolidated structured entities. Mortgage-backed securities are formed by pooling various types of mortgages while asset-backed securities are formed by pooling assets such as auto loans, credit card receivables or student loans. An interest or claim to this future cash flow (interest and principal) is then sold in the form of debt or equity securities, which could be held by the Funds. The Funds account for these unconsolidated structured entities at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date.

(h) **Redeemable units issued by the Funds**

The Funds' outstanding redeemable units qualify as "puttable instruments" and have been classified as liabilities as per the International Accounting Standard 32: *Financial Instruments: Presentation* ("IAS 32") which states that units or shares of an entity that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset should be classified as financial liabilities.

The Trust Funds' redeemable units' entitlements include a contractual obligation to distribute any net income and net realized capital gains at least annually in cash (at the request of the unitholder) and therefore meet the contractual obligation requirement.

In addition, the Corporate Class Funds issue different series of units that are equally subordinated but have different features as outlined in these notes. These features violate criteria that are required in order for the redeemable units to be presented as equity under IAS 32. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in these financial statements.

(i) **Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount is presented in the Statements of Financial Position only if there is

an unconditional legal right to offset the amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss. Financial assets and liabilities that are subject to master netting or comparable agreements and the related potential effect of offsetting are disclosed in the respective Fund's "Fund Specific Notes".

(j) Increase (decrease) in net assets attributable to holders of redeemable units per unit

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" is disclosed in the Statements of Comprehensive Income and represents, for each series of units, the increase or decrease in net assets attributable to holders of redeemable units from operations for the period attributable to each series divided by the weighted average number of units outstanding for the corresponding series during the period.

(k) Short selling

If a Fund sells a security short, it will borrow that security from a broker to complete the sale. The Fund will incur a loss as a result of a short sale if the price of the borrowed security increases between the date of the short sale and the date on which the Fund closes out its short position by buying that security. There can be no assurance that a Fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain a margin account with the broker containing cash and liquid securities such that the amount deposited as margin will be more than the current market value of the security sold short. The cash held on margin in respect of short sale activity is noted in the Statements of Financial Position in "Deposits with brokers for securities sold short", if applicable.

(l) Cash

Cash is comprised of cash on deposit and bank overdrafts, as applicable. Short term instruments are disclosed in "Non-derivative financial assets" in the Statements of Financial Position.

(m) Non-cash transactions

Non-cash transactions on 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.

In addition, reclassifications between series of the same fund are also non-cash in nature and have been excluded from "Proceeds from issue of redeemable units" and "Amounts paid on redemption of redeemable units" on the Statements of Cash Flows.

(n) Reverse Repurchase Agreements

Certain Funds may enter into reverse repurchase transactions. In a reverse repurchase transaction, a Fund buys a security at one price from counterparty and agrees to sell the same security back

to the same counterparty at a specified price on an agreed future date. The difference is included as part of "Income from reverse purchase agreements" in the Statement of Comprehensive Income.

The risk with these types of transactions is that the other party may default under the agreement or go bankrupt. These risks are reduced by requiring the other party to provide collateral to the Funds. The collateral is marked to market on each business day. The type of securities received and related collateral held by the Funds, where applicable, are listed in the Schedule of Investment Portfolio.

(o) Comparative balances

Certain prior year balances have been reclassified in the financial statements in order to conform to the current year's classification of these financial statement items.

Purchased options, liability for written options, unrealized gain or loss on currency forward contracts, unrealized gain or loss on futures contracts, and unrealized gain or loss on swap contracts are now included in "Derivatives" on the Statements of Financial Position. Change in unrealized gain (loss) on options contracts, change in unrealized gain (loss) on forward contracts, change in unrealized gain (loss) on futures contracts, and change in unrealized gain (loss) on swap contracts are now included in "Change in unrealized gain (loss) on derivatives" in the Statements of Comprehensive Income and the Statements of Cash Flows. Net realized gain (loss) on options contracts, net realized gain (loss) on currency forward contracts, net realized gain (loss) on futures contracts, and net realized gain (loss) on swap contracts are now included in "Net realized gain (loss) on derivatives" in the Statements of Comprehensive Income. Net realized gain (loss) on options contracts is now included in "Net realized gain (loss) on derivatives" in the Statements of Cash Flows.

Collateral deposited with brokers was reclassified from "Cash" to "Cash Collateral deposited on derivatives" or "Margin deposited on derivatives" in the Statements of Financial Position and the Statements of Cash Flows.

3. Significant Accounting Judgments and Estimates

The preparation of financial statements requires the Manager to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These estimates are made based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

Investment Entities

In accordance with IFRS 10: *Consolidated Financial Statements*, the Manager has determined that the Funds meet the definition of an Investment Entity which requires that the Funds obtain funds from one or more investors for the purpose of providing investment management services, commit to their investors that their business

purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investment in subsidiaries, if any, but instead measure these at fair value through profit or loss, as required by the accounting standard.

Classification and measurement of financial instruments

In classifying and measuring certain financial instruments held by the Funds, the Manager is required to make significant judgments about whether or not the business model of the Funds is to manage their assets on a fair value basis and to realize those fair values, for the purpose of classifying all financial instruments as fair value through profit or loss under IFRS 9.

Fair value measurement of financial instruments not quoted in an active market

Key areas of estimation, where the Manager has made complex or subjective judgments, include the determination of fair values of financial instruments that are not quoted in an active market. The use of valuation techniques for financial instruments that are not quoted in an active market requires the Manager to make assumptions that are based on market conditions existing as at the date of the financial statements. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments.

4. Discussion of Financial Instrument Risk

Each Fund's investment activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk, and other price risk), credit risk and liquidity risk. Each Fund's investment practices include portfolio monitoring to ensure compliance with stated investment guidelines. The Manager seeks to minimize potential adverse effects of risks on each Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor each Fund's securities and financial market developments. The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables.

The Manager maintains a risk management practice that includes monitoring compliance with investment restrictions to ensure that the Funds are being managed in accordance with the Funds' stated investment objectives, strategies and securities regulations.

Some Funds invest in Underlying Funds. These Funds are indirectly exposed to market risk, credit risk, and liquidity risk in the event that the Underlying Funds invest in financial instruments that are subject to those risks.

A Fund's exposure to market risk, credit risk and liquidity risk, where applicable, is disclosed in the respective Fund's "Fund Specific Notes".

(a) Market risk

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or the fair values of interest-bearing financial instruments. Each Fund's exposure to interest rate risk is concentrated in its investments in debt instruments (such as bonds and debentures) and interest rate sensitive derivative instruments, if any.

(ii) Currency risk

The Funds may invest in monetary and non-monetary assets denominated in currencies other than their functional currency. Currency risk is the risk that the value of foreign instruments will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Funds' functional currency. Funds may enter into currency forward contracts, currency futures contracts and/or foreign currency option contracts for hedging purposes to reduce their foreign currency risk exposure.

(iii) Price risk

Price risk is the risk that the fair value of a Fund's financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Exposure to price risk is mainly in equities, Underlying Funds, derivatives and commodities. The maximum risk resulting from these financial instruments is equivalent to their fair value, except for written options, short sales and short futures contracts, where possible losses can be unlimited.

(b) Credit risk

Credit risk is the risk that the issuer of a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. A Fund's investment in financial instruments such as bonds, debentures, money market instruments, preferred shares and derivatives represents the main concentration of credit risk. The fair value of financial instruments includes consideration of the creditworthiness of the issuer, and accordingly, represents the maximum credit risk exposure to the Funds. All the transactions in listed securities and derivatives are settled or paid upon delivery using approved brokers with an approved credit rating. The risk of default with the counterparty is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is only made on a purchase once the securities have been received by the broker.

The Trade Management Oversight Committee is responsible for regulatory evaluation and approval 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 pre approved 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 securities are paid directly by investors. No management fees are charged by the Manager in respect of the Series K units of the Funds. 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 fees paid by the Funds are calculated and accrued daily and payable monthly on the first business day of the following calendar month.

The Manager may reduce the effective management fee payable by clients who invest large amounts in a particular Fund by waiving a portion of the management fee that it would otherwise be entitled to receive from the Fund or a securityholder and directing the Fund to make a management fee distribution, in the case of clients of the Trust Funds, or a management fee rebate, in the case of clients of the Corporate Class Funds, in the amount of such waiver. All management fee distributions and management fee rebates are automatically reinvested in additional shares/units of the relevant series of the Funds.

There is no duplication of management fees, sales charges or redemption fees between the Funds and the Underlying Funds held directly by them, if any. The Manager is entitled to an annual management fee, exclusive of sales taxes, as follows:

Trust Funds	% of Net Asset Value												
	Advisor								Premium	Premium T	Premium TL	Premium TH	
	Series A	Series	Series D	Series F	Series M	Series T	Series TL	Series TH	Series	Series	Series	Series	
Scotia Aria Conservative Build Portfolio	1.20	-	-	-	-	-	-	-	1.20	-	-	-	
Scotia Aria Conservative Defend 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 Equity Build Portfolio	-	-	-	-	-	-	-	-	1.70	-	-	-	
Scotia Aria Equity Defend Portfolio	-	-	-	-	-	-	-	-	1.70	1.70	1.70	1.70	
Scotia Aria Equity Pay Portfolio	-	-	-	-	-	-	-	-	1.70	1.70	1.70	1.70	
Scotia Aria Moderate Build Portfolio	1.40	-	-	-	-	-	-	-	1.40	-	-	-	
Scotia Aria Moderate Defend Portfolio	1.40	-	-	-	-	1.40	1.40	1.40	1.40	1.40	1.40	1.40	
Scotia Aria Moderate Pay Portfolio	1.40	-	-	-	-	1.40	1.40	1.40	1.40	1.40	1.40	1.40	
Scotia Aria Progressive Build Portfolio	1.60	-	-	-	-	-	-	-	1.60	-	-	-	
Scotia Aria Progressive Defend Portfolio	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 Bond Index Fund	0.70	-	0.50	0.35	-	-	-	-	-	-	-	-	
Scotia Canadian Dividend Fund	1.50	1.50	-	0.70	0.10	-	-	-	-	-	-	-	
Scotia Canadian Equity Fund (Formerly Scotia Canadian Blue Chip Fund)	1.75	-	-	0.90	-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-	

Trust Funds	Advisor								Premium Series	Premium T Series	Premium TL Series	Premium TH Series
	Series A	Series	Series D	Series F	Series M	Series T	Series TL	Series TH				
Scotia Conservative Fixed Income Portfolio (Formerly Scotia Conservative Income Fund)	1.10	-	-	-	-	-	-	-	-	-	-	-
Scotia Diversified Monthly Income Fund	1.25	1.25	0.90	0.63	0.10	-	-	-	-	-	-	-
Scotia Dividend Balanced Fund	1.65	-	0.90	-	-	-	-	-	-	-	-	-
Scotia European Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Scotia Global Balanced Fund	1.65	-	0.90	-	-	-	-	-	-	-	-	-
Scotia Global Bond Fund	1.10	-	-	0.60	-	-	-	-	-	-	-	-
Scotia Global Dividend Fund	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)	1.75	1.75	-	0.90	-	-	-	-	-	-	-	-
Scotia Global Growth 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 Equity Fund (Formerly Scotia International Value Fund)	1.75	1.75	-	0.90	-	-	-	-	-	-	-	-
Scotia International Index Fund	0.80	-	0.60	0.40	-	-	-	-	-	-	-	-
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 Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)	-	-	-	-	0.07	-	-	-	-	-	-	-
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 Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)	-	-	-	-	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	-	1.70	-	-	-	-	-	-
Scotia Selected Balanced Income Portfolio	1.60	1.60	-	0.60	-	1.60	-	-	-	-	-	-
Scotia Selected Growth Portfolio	1.80	1.80	-	0.80	-	1.80	-	-	-	-	-	-
Scotia Selected Income Portfolio	1.50	-	-	-	-	1.50	-	-	-	-	-	-
Scotia Selected Maximum Growth Portfolio	1.90	1.90	-	0.90	-	1.90	-	-	-	-	-	-
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. Dividend Fund	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia U.S. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Scotia U.S. Index Fund	0.80	-	0.60	0.40	-	-	-	-	-	-	-	-
Scotia U.S. Opportunities Fund	1.75	-	-	0.90	-	-	-	-	-	-	-	-
Corporate Classes												
Scotia Canadian Dividend Class	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia Canadian Equity Blend Class	1.75	-	-	-	-	-	-	-	-	-	-	-
Scotia Global Dividend Class	1.50	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Balanced Growth Portfolio Class	1.80	-	-	-	-	1.80	-	-	-	-	-	-
Scotia INNOVA Balanced Income Portfolio Class	1.70	-	-	-	-	1.70	-	-	-	-	-	-
Scotia INNOVA Growth Portfolio Class	1.90	-	-	-	-	1.90	-	-	-	-	-	-
Scotia INNOVA Income Portfolio Class	1.60	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Maximum Growth Portfolio Class	2.00	-	-	-	-	2.00	-	-	-	-	-	-
Scotia International Equity Blend Class	1.75	-	-	-	-	-	-	-	-	-	-	-
Scotia Partners Balanced Growth Portfolio Class	1.95	-	-	-	-	1.95	-	-	-	-	-	-
Scotia Partners Balanced Income Portfolio Class	1.85	-	-	-	-	1.85	-	-	-	-	-	-
Scotia Partners Growth Portfolio Class	2.05	-	-	-	-	2.05	-	-	-	-	-	-
Scotia Partners Maximum Growth Portfolio Class	2.15	-	-	-	-	2.15	-	-	-	-	-	-
Scotia U.S. Equity Blend Class	1.75	-	-	-	-	-	-	-	-	-	-	-

6. Fixed Administration Fees and Operating Expenses

The Manager pays certain operating expenses of the Funds (“FAF Funds”), other than Scotia T-Bill Fund, Scotia Premium T-Bill Fund, Scotia Money Market Fund and Scotia U.S. \$ Money Market Fund as well as Advisor Series of the Funds and Series F of Scotia Canadian Equity Fund and Scotia Global Growth Fund. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, transfer agency and recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, administration costs, bank charges, costs of preparing and distributing annual and semi-annual reports, prospectuses, annual information forms, Fund Facts and statements, investor communications and continuous disclosure materials. The Manager is not obligated to pay any other expense, cost or fee, including those arising from new government or regulatory requirements relating to the foregoing expenses, costs and fees. In return, each series of the FAF Funds pays a Fixed Administration Fee to the Manager (the “Fixed Administration Fee”).

In addition to the Fixed Administration Fee, each series of the FAF Funds pays certain operating expenses directly, referred to as “Fund Costs”. These include the costs and expenses related to the Independent Review Committee (“IRC”) of the Funds, the ongoing audit costs associated with compliance with IFRS, the cost of any new government or regulatory requirements, including compliance with the Volcker Rule under *Dodd Frank Wall Street Reform and Consumer Protection Act* and other applicable U.S. regulations, any new fees introduced by securities regulators or other government authority that is based on the assets or other criteria of the Funds, any transaction costs, including all fees and costs related to derivatives, and any borrowing costs, and taxes (including, but not limited to, GST or HST, as applicable). Refer to the simplified prospectus of the Funds for

more details on Fund Costs. 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 Equity 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.

The Manager has agreed to absorb certain expenses associated with some of the Funds. The absorbed amounts are shown in the Statements of Comprehensive Income as “Expenses absorbed by the Manager”, where applicable. Such absorption, where applicable, may be terminated by the Manager at any time without notice.

The Fixed Administration Fee, Fund Costs and Operating Expense are accrued daily and paid monthly. The maximum annual rates of the Fixed Administration Fee, which are a percentage of the net asset value for each series of units of each Fund, are as follows:

Trust Funds	% of Net Asset Value											Premium Series	Premium T Series	Premium TL Series	Premium TH Series		
	Advisor Series A	Series D	Series F	Series I	Series K	Series M	Series T	Series TL	Series TH								
1832 AM Investment Grade U.S. Corporate Bond Pool	–	–	–	–	0.03	–	–	–	–	–	–	–	–	–	–	–	–
Scotia Aria Conservative Build Portfolio	0.10	–	–	–	–	–	–	–	–	–	–	0.10	–	–	–	–	–
Scotia Aria Conservative Defend Portfolio	0.10	–	–	–	–	–	–	0.10	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	0.10	0.10
Scotia Aria Equity Build Portfolio	–	–	–	–	–	–	–	–	–	–	–	0.10	–	–	–	–	–
Scotia Aria Equity Defend Portfolio	–	–	–	–	–	–	–	–	–	–	–	0.10	0.10	0.10	0.10	0.10	0.10
Scotia Aria Equity Pay Portfolio	–	–	–	–	–	–	–	–	–	–	–	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	0.10	–	–	–	–	–	–	0.10	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	0.10	0.10
Scotia Aria Progressive Build Portfolio	0.10	–	–	–	–	–	–	–	–	–	–	0.10	–	–	–	–	–
Scotia Aria Progressive Defend Portfolio	0.10	–	–	–	–	–	–	0.10	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	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 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 Equity Fund (Formerly Scotia Canadian Blue Chip Fund)	0.11	–	–	–	0.06	–	–	–	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–	–	–	–	–

% of Net Asset Value

Trust Funds	Advisor										Premium Series	Premium T Series	Premium TL Series	Premium TH Series	
	Series A	Series	Series D	Series F	Series I	Series K	Series M	Series T	Series TL	Series TH					
Scotia Conservative Fixed Income Portfolio (Formerly Scotia Conservative Income Fund)	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Diversified Monthly Income Fund	0.06	-	0.06	0.06	-	-	0.04	-	-	-	-	-	-	-	-
Scotia Dividend Balanced Fund	0.08	-	0.08	-	0.05	-	-	-	-	-	-	-	-	-	-
Scotia European Fund	0.35	-	-	0.35	0.10	-	-	-	-	-	-	-	-	-	-
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 Equity Fund (Formerly Scotia Global Opportunities Fund)	0.35	-	-	0.35	0.06	-	-	-	-	-	-	-	-	-	-
Scotia Global Growth Fund	0.25	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-
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 Equity Fund (Formerly Scotia International Value Fund)	0.35	-	-	0.35	0.07	-	-	-	-	-	-	-	-	-	-
Scotia International Index Fund	0.32	-	0.32	0.32	0.09	-	-	-	-	-	-	-	-	-	-
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 Diversified International Equity Pool	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-
Scotia Private Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)	-	-	-	-	0.03	0.11	0.05	-	-	-	-	-	-	-	-
Scotia Private Fundamental Canadian Equity Pool	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-
Scotia Private Global Credit Pool	-	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-
Scotia Private Global Low Volatility Equity Pool	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-
Scotia Private International Core Equity Pool	-	-	-	-	0.09	0.25	0.18	-	-	-	-	-	-	-	-
Scotia Private International Growth Equity Pool	-	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-
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 Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)	-	-	-	-	0.03	0.11	0.03	-	-	-	-	-	-	-	-
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	-	-	-	0.05	-	-	-	-	-	-	-

Trust Funds	% of Net Asset Value										Premium Series	Premium T Series	Premium TL Series	Premium TH Series
	Series A	Advisor Series		Series D	Series F	Series I	Series K	Series M	Series T	Series TL				
Scotia Selected Balanced Income Portfolio	0.05	-	-	0.05	-	-	-	0.05	-	-	-	-	-	-
Scotia Selected Growth Portfolio	0.05	-	-	0.04	-	-	-	0.05	-	-	-	-	-	-
Scotia Selected Income Portfolio	0.05	-	-	-	-	-	-	0.05	-	-	-	-	-	-
Scotia Selected Maximum Growth Portfolio	0.07	-	-	0.07	-	-	-	0.07	-	-	-	-	-	-
Scotia U.S. \$ Balanced Fund	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia U.S. \$ Bond Fund	0.06	-	-	0.06	-	-	-	-	-	-	-	-	-	-
Scotia U.S. Dividend Fund	0.24	-	-	-	0.03	-	-	-	-	-	-	-	-	-
Scotia U.S. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)	0.25	-	-	0.25	0.07	-	-	-	-	-	-	-	-	-
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 Global Dividend Class	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Balanced Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia INNOVA Balanced Income Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia INNOVA Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia INNOVA Income Portfolio Class	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia INNOVA Maximum Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia International Equity Blend Class	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-
Scotia Partners Balanced Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia Partners Balanced Income Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia Partners Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia Partners Maximum Growth Portfolio Class	0.10	-	-	-	-	-	-	0.10	-	-	-	-	-	-
Scotia U.S. Equity Blend Class	0.20	-	-	-	-	-	-	-	-	-	-	-	-	-

7. Redeemable Units

Units issued and outstanding represent the capital of each Fund. Each of the Funds may issue an unlimited number of units. Each unit is redeemable at the option of the unitholder in accordance with the Declaration of Trust or articles of incorporation, ranks equally with all other units of the Funds and entitles the unitholder to a proportionate undivided interest in the Net Asset Value of the Funds. Unitholders are entitled to distributions when declared. Distributions on units of a Fund are reinvested in additional units of the Fund or at the option of the unitholder, paid in cash. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies and restrictions, as outlined in the Funds' prospectus. The Funds have no

specific restrictions or specific capital requirements on the subscriptions or redemptions of units, other than minimum subscription requirements.

The units of each series of the Funds are issued and redeemed at their Net Asset Value per unit of each series which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The Net Asset Value per unit is calculated by dividing the Net Asset Value per Series by the total number of outstanding units of each series.

For the periods ended December 31, 2018 and 2017, the following number of units were issued, reinvested and redeemed:

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
1832 AM Investment Grade U.S. Corporate Bond Pool										
Series I Units	-	2,957,532	724	15,000	2,943,256	-	-	-	-	-
Scotia Aria Conservative Build Portfolio										
Series A Units	-	-	-	-	-	1,243,375	1,570,198	-	2,813,573	-
Premium Series Units	4,226,612	7,474,652	260,054	1,295,549	10,665,769	809,700	3,597,990	60,416	241,494	4,226,612

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Aria Conservative Defend Portfolio										
Series A Units	–	–	–	–	–	4,523,974	4,552,363	–	9,076,337	–
Premium Series Units	14,280,443	12,257,200	488,203	3,694,720	23,331,126	4,144,569	10,884,371	199,692	948,189	14,280,443
Series T Units	–	–	–	–	–	94,526	143,765	1,097	239,388	–
Series TH Units	–	–	–	–	–	132,789	93,333	2,510	228,632	–
Series TL Units	–	–	–	–	–	27,835	9,028	5	36,868	–
Premium T Series Units	628,956	192,615	4,863	188,641	637,793	263,387	422,092	3,040	59,563	628,956
Premium TH Series Units	763,798	371,651	10,953	375,981	770,421	399,741	403,229	10,164	49,336	763,798
Premium TL Series Units	119,176	6	(21)	8,027	111,134	107,327	43,082	40	31,273	119,176
Scotia Aria Conservative Pay Portfolio										
Series A Units	–	–	–	–	–	2,770,312	3,157,793	–	5,928,105	–
Premium Series Units	10,234,612	9,106,242	322,229	2,548,269	17,114,814	3,202,756	7,537,165	150,210	655,519	10,234,612
Series T Units	–	–	–	–	–	347,050	247,260	2,293	596,603	–
Series TH Units	–	–	–	–	–	230,235	292,113	4,809	527,157	–
Series TL Units	–	–	–	–	–	60,610	57,306	252	118,168	–
Premium T Series Units	1,216,961	606,263	11,045	417,316	1,416,953	532,169	857,908	3,902	177,018	1,216,961
Premium TH Series Units	1,515,180	835,407	17,913	571,326	1,797,174	834,745	1,031,451	12,512	363,528	1,515,180
Premium TL Series Units	315,244	247,232	1,484	82,133	481,827	144,692	205,885	1,594	36,927	315,244
Scotia Aria Equity Build Portfolio										
Premium Series Units	–	1,698,529	49,207	17,203	1,730,533	–	–	–	–	–
Scotia Aria Equity Defend Portfolio										
Premium Series Units	–	1,076,601	47,327	4,055	1,119,873	–	–	–	–	–
Premium T Series Units	–	5,011	125	2,500	2,636	–	–	–	–	–
Premium TH Series Units	–	5,016	119	2,500	2,635	–	–	–	–	–
Premium TL Series Units	–	5,005	132	2,500	2,637	–	–	–	–	–
Scotia Aria Equity Pay Portfolio										
Premium Series Units	–	86,945	1,034	4,282	83,697	–	–	–	–	–
Premium T Series Units	–	5,010	22	2,500	2,532	–	–	–	–	–
Premium TH Series Units	–	5,015	33	2,500	2,548	–	–	–	–	–
Premium TL Series Units	–	5,005	24	2,500	2,529	–	–	–	–	–
Scotia Aria Moderate Build Portfolio										
Series A Units	–	–	–	–	–	3,781,260	4,354,899	(8)	8,136,151	–
Premium Series Units	11,915,266	11,753,594	491,436	2,726,055	21,434,241	2,271,471	9,995,578	135,358	487,141	11,915,266
Scotia Aria Moderate Defend Portfolio										
Series A Units	–	–	–	–	–	9,492,221	10,293,088	(14)	19,785,295	–
Premium Series Units	31,482,864	23,962,186	1,239,570	6,538,062	50,146,558	8,094,413	24,633,432	358,391	1,603,372	31,482,864
Series T Units	–	–	–	–	–	157,076	152,738	3,390	313,204	–
Series TH Units	–	–	–	–	–	284,422	213,048	4,205	501,675	–
Series TL Units	–	–	–	–	–	30,352	24,669	256	55,277	–
Premium T Series Units	851,347	407,990	13,366	313,701	959,002	392,217	558,854	10,674	110,398	851,347
Premium TH Series Units	1,249,661	500,686	13,913	438,179	1,326,081	680,665	852,487	8,168	291,659	1,249,661
Premium TL Series Units	195,921	96,720	2,908	56,634	238,915	41,055	164,928	1,506	11,568	195,921
Scotia Aria Moderate Pay Portfolio										
Series A Units	–	–	–	–	–	3,238,939	3,613,778	(14)	6,852,703	–
Premium Series Units	10,475,362	10,332,150	351,137	2,669,832	18,488,817	2,353,960	8,504,534	122,169	505,301	10,475,362
Series T Units	–	–	–	–	–	210,623	182,183	4,321	397,127	–
Series TH Units	–	–	–	–	–	353,145	270,583	6,291	630,019	–
Series TL Units	–	–	–	–	–	83,499	52,219	431	136,149	–
Premium T Series Units	1,155,145	872,552	13,800	325,978	1,715,519	685,609	740,206	5,454	276,124	1,155,145
Premium TH Series Units	1,697,750	815,578	19,993	430,044	2,103,277	894,351	1,034,557	7,092	238,250	1,697,750
Premium TL Series Units	562,620	182,927	3,213	267,805	480,955	250,648	317,477	2,426	7,931	562,620
Scotia Aria Progressive Build Portfolio										
Series A Units	–	–	–	–	–	5,047,461	5,414,960	–	10,462,421	–
Premium Series Units	14,784,655	20,177,979	728,505	3,050,792	32,640,347	2,680,580	12,530,059	95,281	521,265	14,784,655
Scotia Aria Progressive Defend Portfolio										
Series A Units	–	–	–	–	–	7,353,245	7,330,905	–	14,684,150	–
Premium Series Units	21,166,913	20,217,440	1,097,896	4,122,538	38,359,711	4,489,271	17,466,933	167,020	956,311	21,166,913
Series T Units	–	–	–	–	–	73,411	89,377	1,886	164,674	–
Series TH Units	–	–	–	–	–	221,390	71,453	2,360	295,203	–
Series TL Units	–	–	–	–	–	15,193	23,822	72	39,087	–
Premium T Series Units	325,585	345,949	9,099	179,988	500,645	94,878	284,224	2,424	55,941	325,585
Premium TH Series Units	549,357	212,515	9,432	330,049	441,255	241,600	385,259	4,875	82,377	549,357
Premium TL Series Units	37,959	9,873	3	20,873	26,962	11,315	37,513	118	10,987	37,959

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	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	–
Premium Series Units	3,337,071	3,776,979	145,346	674,843	6,584,553	804,602	2,697,772	30,330	195,633	3,337,071
Series T Units	–	–	–	–	–	63,824	33,545	599	97,968	–
Series TH Units	–	–	–	–	–	219,286	77,771	2,032	299,089	–
Series TL Units	–	–	–	–	–	18,508	7,911	104	26,523	–
Premium T Series Units	390,647	280,456	3,643	97,062	577,684	180,678	236,911	406	27,348	390,647
Premium TH Series Units	675,890	393,298	7,303	378,783	697,708	294,771	467,164	4,390	90,435	675,890
Premium TL Series Units	13,897	16,274	103	7,503	22,771	2,272	13,501	44	1,920	13,897
Scotia Balanced Opportunities Fund										
Series A Units	45,063,650	6,494,218	2,315,240	6,862,332	47,010,776	43,650,734	4,740,715	2,780,139	6,107,938	45,063,650
Advisor Series Units	40,055	–	1,055	22,725	18,385	39,926	–	1,881	1,752	40,055
Series D Units	78,962	27,808	1,890	66,918	41,742	2,302	80,146	633	4,119	78,962
Series F Units	24,509	62,689	1,581	41,103	47,676	17,544	11,831	1,537	6,403	24,509
Scotia Bond Fund										
Series A Units	6,326,850	593,761	135,518	2,126,701	4,929,428	7,630,968	682,631	165,549	2,152,298	6,326,850
Series I Units	9,374	25,783	584	4,199	31,542	111	11,325	124	2,186	9,374
Series M Units	105	–	4	–	109	101	–	4	–	105
Scotia Canadian Balanced Fund										
Series A Units	88,394,943	6,491,799	2,029,708	12,633,236	84,283,214	91,839,925	6,861,617	1,014,532	11,321,131	88,394,943
Series D Units	60,741	15,376	2,254	8,007	70,364	3,385	57,639	699	982	60,741
Series F Units	31,576	92,380	2,174	22,294	103,836	23,079	31,293	645	23,441	31,576
Scotia Canadian Bond Index Fund										
Series A Units	22,808,795	3,048,214	486,787	6,438,194	19,905,602	25,756,987	2,739,392	546,969	6,234,553	22,808,795
Series D Units	56,626	78,861	1,205	37,636	99,056	4,720	70,465	462	19,021	56,626
Series F Units	33,861	184,082	1,967	23,125	196,785	70,386	12,172	536	49,233	33,861
Scotia Canadian Dividend Class										
Series A Units	9,131,014	1,692,053	248,606	2,035,047	9,036,626	8,249,270	2,405,287	210,320	1,733,863	9,131,014
Scotia Canadian Dividend Fund										
Series A Units	77,933,519	10,859,148	802,574	11,479,570	78,115,671	73,513,575	12,486,244	670,674	8,736,974	77,933,519
Advisor Series Units	391,670	1,377	2,308	222,972	172,383	501,514	20	3,360	113,224	391,670
Series F Units	1,023,363	653,238	17,739	317,661	1,376,679	703,882	511,652	12,285	204,456	1,023,363
Series I Units	42,868,673	2,201,490	1,183,708	5,064,176	41,189,695	41,965,691	1,741,398	1,088,099	1,926,515	42,868,673
Series K Units	2,540,899	5,411,907	107,604	569,879	7,490,531	413,621	2,460,316	40,539	373,577	2,540,899
Series M Units	28,715,757	7,093,395	694,729	5,151,988	31,351,893	25,061,279	6,922,604	577,731	3,845,857	28,715,757
Scotia Canadian Equity Blend Class										
Series A Units	142,441	35,026	1,857	29,344	149,980	147,716	24,986	1,473	31,734	142,441
Scotia Canadian Equity Fund (Formerly Scotia Canadian Blue Chip Fund)										
Series A Units	9,060,355	690,904	114,430	1,123,032	8,742,657	9,377,391	614,367	109,359	1,040,762	9,060,355
Series F Units	13,029	13,337	233	5,942	20,657	6,725	76,581	147	70,424	13,029
Series I Units	10,734	1,921	142	1,951	10,846	11,764	1,260	133	2,423	10,734
Scotia Canadian Growth Fund										
Series A Units	3,941,608	107,586	2	619,659	3,429,537	4,274,120	125,297	143,262	601,071	3,941,608
Advisor Series Units	341	–	–	–	341	329	–	12	–	341
Series F Units	4,957	5,393	–	2,328	8,022	7,176	1,169	135	3,523	4,957
Series I Units	1,317,928	280,476	17,160	–	1,615,564	1,163,654	115,058	54,638	15,422	1,317,928
Scotia Canadian Income Fund										
Series A Units	52,594,326	2,123,646	1,537,815	12,690,933	43,564,854	62,141,088	3,046,093	1,239,672	13,832,527	52,594,326
Advisor Series Units	127,100	–	887	95,999	31,988	166,579	–	1,018	40,497	127,100
Series F Units	66,103	33,831	999	49,158	51,775	42,451	51,313	952	28,613	66,103
Series I Units	338,770,774	37,063,402	13,679,779	27,399,016	362,114,939	323,043,582	13,685,889	9,928,741	7,887,438	338,770,774
Series K Units	3,097,336	3,229,320	218,011	762,482	5,782,185	571,657	2,879,831	69,872	424,024	3,097,336
Series M Units	55,431,658	21,010,042	2,571,844	15,053,409	63,960,135	77,996,277	14,004,030	1,771,886	38,340,535	55,431,658
Scotia Canadian Index Fund										
Series A Units	9,604,085	1,075,921	170,724	1,495,857	9,354,873	9,595,862	1,309,460	136,622	1,437,859	9,604,085
Series D Units	67,885	75,868	2,802	15,324	131,231	20,596	83,453	1,182	37,346	67,885
Series F Units	51,252	8,028	753	6,244	53,789	44,025	9,021	543	2,337	51,252
Scotia Canadian Small Cap Fund										
Series A Units	1,248,841	37,220	–	229,602	1,056,459	1,428,874	41,329	–	221,362	1,248,841
Series F Units	2,098	426	–	803	1,721	1,915	386	–	203	2,098
Series K Units	100	–	–	–	100	100	–	–	–	100
Series M Units	–	–	–	–	–	1,236,658	4,413	–	1,241,071	–
Scotia CanAm Index Fund										
Series A Units	5,904,399	–	236,010	716,621	5,423,788	5,571,528	–	919,260	586,389	5,904,399
Series F Units	2,640	275	1	2,602	314	2,218	–	422	–	2,640

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Conservative Fixed Income Portfolio (Formerly Scotia Conservative Income Fund)										
Series A Units	366,273	73,573	4,306	146,010	298,142	426,610	85,045	4,305	149,687	366,273
Scotia Diversified Monthly Income Fund										
Series A Units	263,439,873	31,129,351	10,793,793	43,397,783	261,965,234	260,615,163	32,137,491	8,545,280	37,858,061	263,439,873
Advisor Series Units	84,752	–	987	53,515	32,224	140,108	–	1,219	56,575	84,752
Series D Units	136,131	120,317	6,726	44,831	218,343	11,931	154,211	2,098	32,109	136,131
Series F Units	401,243	343,718	17,602	172,392	590,171	281,393	222,752	10,115	113,017	401,243
Scotia Dividend Balanced Fund										
Series A Units	24,115,886	1,835,263	266,584	6,648,408	19,569,325	26,249,812	2,932,091	140,127	5,206,144	24,115,886
Series D Units	23,483	5,972	315	15,719	14,051	13,507	25,058	162	15,244	23,483
Scotia European Fund										
Series A Units	1,242,606	181,782	–	195,679	1,228,709	1,377,584	168,666	5,269	308,913	1,242,606
Series F Units	835	345	–	242	938	1,571	799	–	1,535	835
Scotia Global Balanced Fund										
Series A Units	7,793,673	1,246,480	143,804	1,608,429	7,575,528	7,510,934	1,362,601	298,814	1,378,676	7,793,673
Series D Units	29,958	9,348	954	6,844	33,416	13,025	23,120	1,306	7,493	29,958
Scotia Global Bond Fund										
Series A Units	1,239,782	318,780	–	398,625	1,159,937	1,521,721	135,821	–	417,760	1,239,782
Series F Units	2,414	506	–	–	2,920	3,159	8,767	–	9,512	2,414
Scotia Global Dividend Class										
Series A Units	1,176,563	172,751	4,211	244,604	1,108,921	1,232,177	181,509	3,842	240,965	1,176,563
Scotia Global Dividend Fund										
Series A Units	15,113,555	2,901,726	418,330	2,819,040	15,614,571	12,835,709	2,693,235	1,521,305	1,936,694	15,113,555
Series I Units	33,250,156	3,195,407	1,702,740	909,660	37,238,643	28,330,670	1,986,046	3,905,603	972,163	33,250,156
Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)										
Series A Units	1,162,810	324,780	–	210,023	1,277,567	1,104,234	237,815	–	179,239	1,162,810
Advisor Series Units	19,517	–	–	15,061	4,456	26,553	–	–	7,036	19,517
Series F Units	2,194	2,245	–	2,151	2,288	43	2,151	–	–	2,194
Series I Units	18,753,211	1,063,312	390,640	254,562	19,952,601	18,269,199	602,173	333,686	451,847	18,753,211
Scotia Global Growth Fund										
Series A Units	2,482,956	1,111,154	–	495,418	3,098,692	2,391,000	430,289	–	338,333	2,482,956
Advisor Series Units	8,756	–	–	1,407	7,349	8,827	–	–	71	8,756
Series F Units	2,159	4,311	–	1,259	5,211	619	1,545	–	5	2,159
Series I Units	11,183,512	640,803	153,521	718,522	11,259,314	12,172,615	227,468	89,159	1,305,730	11,183,512
Scotia Global Small Cap Fund										
Series A Units	406,896	83,493	–	94,926	395,463	445,942	66,440	–	105,486	406,896
Series F Units	135	–	–	–	135	52	83	–	–	135
Series I Units	8,993,926	769,482	90,296	241,303	9,612,401	9,044,366	247,193	83,108	380,741	8,993,926
Scotia Income Advantage Fund										
Series A Units	18,198,636	1,756,354	621,843	3,573,785	17,003,048	18,773,330	1,877,713	650,547	3,102,954	18,198,636
Series D Units	8,229	21,679	908	9,027	21,789	497	7,979	51	298	8,229
Series K Units	108	–	6	–	114	102	–	6	–	108
Series M Units	1,483,382	140,232	–	685,633	937,981	1,942,063	35,750	–	494,431	1,483,382
Scotia INNOVA Balanced Growth Portfolio										
Series A Units	214,427,086	22,879,740	8,916,972	34,181,919	212,041,879	210,171,592	32,712,561	1,160,891	29,617,958	214,427,086
Series T Units	21,274,844	3,077,243	326,455	3,939,221	20,739,321	21,136,224	3,797,467	302,933	3,961,780	21,274,844
Scotia INNOVA Balanced Growth Portfolio Class										
Series A Units	59,314,367	8,148,511	370,277	12,301,266	55,531,889	61,288,839	10,995,317	382,801	13,352,590	59,314,367
Series T Units	16,329,434	4,669,075	244,392	3,803,423	17,439,478	14,200,504	5,658,698	210,393	3,740,161	16,329,434
Scotia INNOVA Balanced Income Portfolio										
Series A Units	170,833,718	14,997,348	6,079,829	34,263,200	157,647,695	171,738,487	26,019,388	1,272,641	28,196,798	170,833,718
Series T Units	23,713,278	1,941,286	270,655	4,438,472	21,486,747	25,232,724	4,042,807	312,311	5,874,564	23,713,278
Scotia INNOVA Balanced Income Portfolio Class										
Series A Units	93,585,055	9,338,410	547,568	21,003,480	82,467,553	99,060,391	14,990,690	570,845	21,036,871	93,585,055
Series T Units	15,177,072	3,074,498	195,251	4,179,688	14,267,133	13,601,114	4,495,095	201,430	3,120,567	15,177,072
Scotia INNOVA Growth Portfolio										
Series A Units	132,077,872	17,044,549	5,356,898	19,045,215	135,434,104	124,343,627	22,363,652	454,999	15,084,406	132,077,872
Series T Units	403,995	332,008	13,330	163,530	585,803	289,894	267,943	10,480	164,322	403,995

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia INNOVA Growth Portfolio Class										
Series A Units	22,706,407	3,574,241	158,276	4,841,521	21,597,403	22,411,444	4,500,161	148,687	4,353,885	22,706,407
Series T Units	2,725,462	802,959	65,830	672,418	2,921,833	2,054,564	1,035,223	51,667	415,992	2,725,462
Scotia INNOVA Income Portfolio										
Series A Units	122,385,759	8,949,312	3,004,720	27,763,462	106,576,329	131,090,654	13,306,595	1,556,245	23,567,735	122,385,759
Series T Units	16,091,950	1,322,433	190,446	3,455,824	14,149,005	17,901,618	1,851,641	203,088	3,864,397	16,091,950
Scotia INNOVA Income Portfolio Class										
Series A Units	14,032,597	–	60,496	2,046,247	12,046,846	16,270,884	–	70,967	2,309,254	14,032,597
Scotia INNOVA Maximum Growth Portfolio										
Series A Units	39,012,102	7,004,764	1,945,142	6,122,054	41,839,954	35,613,461	8,188,424	14	4,789,797	39,012,102
Series T Units	130,687	101,431	4,754	103,921	132,951	71,526	85,772	4,034	30,645	130,687
Scotia INNOVA Maximum Growth Portfolio Class										
Series A Units	4,295,564	814,590	25,842	933,141	4,202,855	4,546,457	943,256	30,005	1,224,154	4,295,564
Series T Units	663,123	283,689	22,889	252,113	717,588	578,857	259,498	18,400	193,632	663,123
Scotia International Equity Blend Class										
Series A Units	50,262	22,329	9	11,190	61,410	48,522	12,747	4	11,011	50,262
Scotia International Equity Fund (Formerly Scotia International Value Fund)										
Series A Units	1,033,661	123,489	–	196,397	960,753	1,107,491	108,652	–	182,482	1,033,661
Advisor Series Units	–	–	–	–	–	458	–	–	458	–
Series F Units	896	2,616	–	541	2,971	3,764	294	–	3,162	896
Series I Units	15,472	5,360	–	2,819	18,013	15,111	3,011	–	2,650	15,472
Scotia International Index Fund										
Series A Units	3,306,424	670,775	–	602,973	3,374,226	2,780,170	718,316	260,988	453,050	3,306,424
Series D Units	14,603	21,517	–	8,028	28,092	1,688	12,252	1,244	581	14,603
Series F Units	2,147	383	–	–	2,530	53	1,903	191	–	2,147
Scotia Latin American Fund										
Series A Units	1,115,870	75,774	9,991	226,621	975,014	1,278,296	121,641	8,888	292,955	1,115,870
Series F Units	1,868	1,385	41	1,344	1,950	492	1,349	55	28	1,868
Scotia Money Market Fund										
Series A Units	19,355,282	9,393,765	175,950	11,467,374	17,457,623	21,847,061	10,604,334	70,668	13,166,781	19,355,282
Advisor Series Units	21,102	–	111	6,173	15,040	45,047	–	87	24,032	21,102
Series I Units	–	5,550,000	61,748	4,953,752	657,996	–	–	–	–	–
Series K Units	171,000	555,809	6,559	131,706	601,662	100	182,261	1,189	12,550	171,000
Series M Units	98,543,329	162,939,526	1,653,388	176,186,240	86,950,003	103,819,516	217,712,339	1,113,800	224,102,326	98,543,329
Premium Series Units	6,281,032	1,980	74,627	1,777,510	4,580,129	9,580,892	2,296	58,536	3,360,692	6,281,032
Scotia Mortgage Income Fund										
Series A Units	6,850,500	1,646,092	115,739	1,668,759	6,943,572	8,022,095	732,255	104,422	2,008,272	6,850,500
Series F Units	11,104	71,185	444	7,741	74,992	13,465	15,260	352	17,973	11,104
Series I Units	92,507	13,159	2,461	31,139	76,988	104,856	9,813	2,751	24,913	92,507
Series K Units	475,492	328,790	19,606	41,947	781,941	127,424	367,466	8,767	28,165	475,492
Series M Units	4,512,252	712,472	–	1,860,878	3,363,846	6,164,444	1,118,880	–	2,771,072	4,512,252
Scotia Nasdaq Index Fund										
Series A Units	15,943,353	10,540,337	520,976	4,276,511	22,728,155	10,734,677	4,527,186	3,179,350	2,497,860	15,943,353
Series D Units	112,793	223,269	5,374	117,694	223,742	17,664	90,206	18,320	13,397	112,793
Series F Units	21,272	116,624	1,418	7,870	131,444	12,451	12,242	2,821	6,242	21,272
Scotia Pacific Rim Fund										
Series A Units	1,136,335	175,025	–	271,042	1,040,318	1,189,514	135,671	–	188,850	1,136,335
Series F Units	1,581	272	–	–	1,853	1,474	19,476	–	19,369	1,581
Scotia Partners Balanced Growth Portfolio										
Series A Units	172,674,629	18,123,857	1,774,055	24,529,437	168,043,104	173,875,086	20,033,368	84,142	21,317,967	172,674,629
Series F Units	122,680	417,396	10,263	74,068	476,271	66,375	99,376	1,637	44,708	122,680
Series T Units	247,682	142,444	4,988	79,385	315,729	97,178	190,568	2,691	42,755	247,682
Scotia Partners Balanced Growth Portfolio Class										
Series A Units	1,214,881	1,110,224	11,942	404,133	1,932,914	497,265	945,148	3,715	231,247	1,214,881
Series T Units	199,786	202,092	5,195	118,475	288,598	85,739	129,557	1,852	17,362	199,786
Scotia Partners Balanced Income Portfolio										
Series A Units	93,675,344	10,826,507	1,558,911	18,101,438	87,959,324	93,477,729	13,965,650	775,612	14,543,647	93,675,344
Series F Units	30,473	53,390	1,491	17,070	68,284	14,296	20,633	623	5,079	30,473
Series T Units	151,499	48,924	3,731	26,555	177,599	53,102	113,342	2,008	16,953	151,499

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Partners Balanced Income Portfolio Class										
Series A Units	1,883,759	1,515,479	9,389	610,186	2,798,441	630,856	1,463,925	4,361	215,383	1,883,759
Series T Units	226,633	217,951	5,158	42,448	407,294	92,477	188,199	3,921	57,964	226,633
Scotia Partners Growth Portfolio										
Series A Units	158,775,823	16,008,064	112,498	20,520,110	154,376,275	161,949,614	16,218,185	(135)	19,391,841	158,775,823
Series F Units	148,365	145,529	2,312	79,545	216,661	131,161	36,769	–	19,565	148,365
Series T Units	43,033	96,025	2,642	28,915	112,785	20,332	30,170	1,460	8,929	43,033
Scotia Partners Growth Portfolio Class										
Series A Units	658,987	888,216	7,857	268,066	1,286,994	285,082	473,149	2,090	101,334	658,987
Series T Units	65,949	47,192	1,954	23,548	91,547	15,887	57,302	862	8,102	65,949
Scotia Partners Income Portfolio										
Series A Units	68,805,946	7,972,722	897,707	14,553,415	63,122,960	69,371,047	10,694,707	666,519	11,926,327	68,805,946
Series T Units	132,841	161,460	5,395	68,578	231,118	66,462	77,965	2,194	13,780	132,841
Scotia Partners Maximum Growth Portfolio										
Series A Units	37,643,246	5,196,093	1	5,254,407	37,584,933	37,497,621	5,009,700	(13)	4,864,062	37,643,246
Series F Units	42,115	16,970	–	28,032	31,053	29,749	31,320	–	18,954	42,115
Series T Units	11,091	10,322	489	4,863	17,039	7,524	6,240	311	2,984	11,091
Scotia Partners Maximum Growth Portfolio Class										
Series A Units	224,419	130,661	2,247	47,222	310,105	86,485	163,985	661	26,712	224,419
Series T Units	17,176	23,650	1,143	8,659	33,310	345	16,570	425	164	17,176
Scotia Premium T-Bill Fund										
Series A Units	14,211,915	–	130,189	4,535,096	9,807,008	17,169,876	2,384,580	70,222	5,412,763	14,211,915
Scotia Private Canadian All Cap Equity Pool										
Series I Units	36,282,167	33,716,641	1,131,766	1,303,585	69,826,989	30,701,556	5,419,791	694,130	533,310	36,282,167
Scotia Private Canadian Corporate Bond Pool										
Series I Units	300,340,512	17,303,981	8,023,433	57,952,842	267,715,084	288,543,496	17,695,587	7,952,891	13,851,462	300,340,512
Series K Units	7,521,148	5,329,591	273,845	2,303,156	10,821,428	1,138,056	7,061,310	145,968	824,186	7,521,148
Series M Units	249,021,618	37,155,308	5,971,175	72,883,095	219,265,006	218,915,947	70,343,590	6,325,080	46,562,999	249,021,618
Scotia Private Canadian Equity Pool										
Series I Units	19,259,233	107,764	448,389	19,815,386	–	21,619,425	227,725	503,686	3,091,603	19,259,233
Series K Units	1,093,914	1,132,255	36,643	1,933,417	329,395	21,851	1,091,193	26,479	45,609	1,093,914
Series M Units	23,598,984	3,648,165	1,970,822	8,116,266	21,101,705	26,418,484	3,300,991	499,793	6,620,284	23,598,984
Scotia Private Canadian Preferred Share Pool										
Series K Units	735,254	416,277	40,936	284,388	908,079	72,876	721,196	22,202	81,020	735,254
Series M Units	58,840,482	12,665,260	2,480,049	18,820,354	55,165,437	54,233,823	14,855,558	2,295,710	12,544,609	58,840,482
Scotia Private Diversified International Equity Pool										
Series I Units	–	39,801,940	384,265	2,059,384	38,126,821	–	–	–	–	–
Scotia Private Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)										
Series I Units	76,823,553	23,729,027	2,260,010	7,275,910	95,536,680	73,019,474	5,686,571	1,646,471	3,528,963	76,823,553
Series K Units	2,280,560	1,693,308	80,727	559,897	3,494,698	413,011	2,091,177	31,359	254,987	2,280,560
Series M Units	52,415,237	12,573,459	–	11,048,605	53,940,091	50,349,051	11,668,103	–	9,601,917	52,415,237
Scotia Private Fundamental Canadian Equity Pool										
Series I Units	26,994,154	88,467	816,225	814,222	27,084,624	25,644,298	780,250	617,040	47,434	26,994,154
Scotia Private Global Credit Pool										
Series I Units	42,638,835	422,031	1,721,329	1,359,974	43,422,221	15,009	42,457,813	745,680	579,667	42,638,835
Scotia Private Global Low Volatility Equity Pool										
Series M Units	30,170,797	9,215,512	741,416	12,468,500	27,659,225	15,005	33,547,123	490,705	3,882,036	30,170,797
Scotia Private International Core Equity Pool										
Series K Units	4,542,759	3,088,779	117,165	1,269,921	6,478,782	651,752	4,155,291	77,892	342,176	4,542,759
Series M Units	72,532,843	19,578,301	1,311,825	11,165,629	82,257,340	63,362,209	22,456,555	1,041,682	14,327,603	72,532,843
Scotia Private International Growth Equity Pool										
Series I Units	–	20,658,491	13,430	201,118	20,470,803	–	–	–	–	–

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia Private North American Dividend Pool										
Series K Units	103	–	2	–	105	102	7,148	1	7,148	103
Series M Units	5,030,397	420,509	105,157	1,021,908	4,534,155	6,577,793	437,707	101,293	2,086,396	5,030,397
Scotia Private Options Income Pool										
Series I Units	55,722,782	3,386,893	3,773,210	16,970,341	45,912,544	56,970,544	3,745,562	3,558,821	8,552,145	55,722,782
Series K Units	2,537,672	1,144,215	255,023	792,387	3,144,523	440,343	2,140,425	164,403	207,499	2,537,672
Series M Units	28,193,571	8,595,717	2,801,114	5,373,947	34,216,455	22,570,168	7,388,741	1,838,026	3,603,364	28,193,571
Scotia Private Real Estate Income Pool										
Series I Units	258,894	125,480	11,424	17,114	378,684	826,638	449,351	29,867	1,046,962	258,894
Series K Units	2,467,281	1,191,477	97,620	696,100	3,060,278	470,644	2,166,840	59,206	229,409	2,467,281
Series M Units	25,940,133	6,224,277	761,265	4,779,457	28,146,218	21,736,392	6,843,882	734,880	3,375,021	25,940,133
Scotia Private Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)										
Series I Units	133,772	16,956	2,836	41,491	112,073	154,028	18,974	3,259	42,489	133,772
Series K Units	1,841,966	1,359,897	53,687	356,897	2,898,653	454,635	1,579,530	26,470	218,669	1,841,966
Series M Units	32,605,680	5,728,394	673,118	9,777,509	29,229,683	39,725,450	5,969,780	761,313	13,850,863	32,605,680
Scotia Private Short-Mid Government Bond Pool										
Series I Units	38,524,699	51,770,062	1,077,325	7,631,896	83,740,190	43,490,867	3,832,143	1,047,471	9,845,782	38,524,699
Series K Units	4,433,930	2,589,028	105,127	1,697,884	5,430,201	1,219,352	3,554,788	69,474	409,684	4,433,930
Series M Units	37,306,004	4,584,617	694,791	11,787,183	30,798,229	78,201,350	5,930,026	982,612	47,807,984	37,306,004
Scotia Private Total Return Bond Pool										
Series M Units	47,843,457	20,385,956	1,258,021	13,884,261	55,603,173	15,008	55,710,205	1,530,240	9,411,996	47,843,457
Scotia Private U.S. Dividend Pool										
Series I Units	–	4,259	–	–	4,259	–	–	–	–	–
Series K Units	2,231,034	2,590,335	43,566	1,187,608	3,677,327	271,721	2,201,863	19,273	261,823	2,231,034
Series M Units	59,690,949	12,757,687	768,934	10,480,084	62,737,486	59,660,822	14,126,439	832,219	14,928,531	59,690,949
Scotia Resource Fund										
Series A Units	4,736,002	236,270	940	899,426	4,073,786	5,359,122	423,307	841	1,047,268	4,736,002
Series F Units	5,628	4,247	–	2,962	6,913	5,030	724	–	126	5,628
Scotia Selected Balanced Growth Portfolio										
Series A Units	108,622,293	21,968,852	757,341	15,392,690	115,955,796	103,497,766	17,512,475	585,303	12,973,251	108,622,293
Advisor Series Units	7,638	–	50	4,998	2,690	8,173	–	38	573	7,638
Series F Units	25,135	34,413	400	26,761	33,187	15,514	17,012	403	7,794	25,135
Series T Units	–	39,088	220	–	39,308	–	–	–	–	–
Scotia Selected Balanced Income Portfolio										
Series A Units	79,467,924	13,793,715	921,472	15,827,351	78,355,760	75,546,061	14,521,469	965,647	11,565,253	79,467,924
Advisor Series Units	6,316	–	72	4,799	1,589	29,572	–	9	23,265	6,316
Series F Units	31,939	19,889	459	6,902	45,385	22,449	11,978	706	3,194	31,939
Series T Units	–	401	3	–	404	–	–	–	–	–
Scotia Selected Growth Portfolio										
Series A Units	66,071,949	16,982,092	(19)	9,159,656	73,894,366	62,835,414	11,236,381	(25)	7,999,821	66,071,949
Advisor Series Units	2,273	–	–	2,273	–	2,273	–	–	–	2,273
Series F Units	38,180	60,955	–	42,244	56,891	12,259	33,128	–	7,207	38,180
Series T Units	–	7,561	57	–	7,618	–	–	–	–	–
Scotia Selected Income Portfolio										
Series A Units	14,760,211	6,895,043	240,650	4,239,264	17,656,640	12,078,932	5,024,753	217,591	2,561,065	14,760,211
Series T Units	–	4,097	11	–	4,108	–	–	–	–	–
Scotia Selected Maximum Growth Portfolio										
Series A Units	15,976,604	5,546,982	–	2,410,742	19,112,844	14,690,111	3,281,981	(40)	1,995,448	15,976,604
Advisor Series Units	19,895	–	–	8,772	11,123	20,243	–	–	348	19,895
Series F Units	20,076	9,581	–	7,909	21,748	10,184	16,127	–	6,235	20,076
Series T Units	–	4,718	23	–	4,741	–	–	–	–	–
Scotia T-Bill Fund										
Series A Units	3,469,036	1,160,430	22,994	1,445,940	3,206,520	4,062,641	613,253	5,025	1,211,883	3,469,036
Scotia U.S. \$ Balanced Fund										
Series A Units	7,653,164	616,784	337,138	1,515,879	7,091,207	8,728,660	895,592	–	1,971,088	7,653,164
Scotia U.S. \$ Bond Fund										
Series A Units	4,093,393	80,784	45,605	1,039,763	3,180,019	4,923,123	195,791	46,559	1,072,080	4,093,393
Series F Units	51,042	10,832	435	4,416	57,893	86,687	12,093	575	48,313	51,042

Trust Funds	December 2018					December 2017				
	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units	Opening Units	Units Issued	Units Reinvested	Units Redeemed	Ending Units
Scotia U.S. \$ Money Market Fund										
Series A Units	3,658,282	622,420	26,840	2,060,082	2,247,460	3,929,386	2,141,535	4,812	2,417,451	3,658,282
Series M Units	1,934,040	9,610,449	65,295	5,441,455	6,168,329	384,483	3,758,331	14,239	2,223,013	1,934,040
Scotia U.S. Dividend Fund										
Series A Units	6,868,779	2,836,095	97,817	1,453,846	8,348,845	5,906,946	2,151,849	–	1,190,016	6,868,779
Scotia U.S. Equity Blend Class										
Series A Units	268,390	154,798	–	55,585	367,603	324,542	36,759	–	92,911	268,390
Scotia U.S. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)										
Series A Units	3,837,439	1,159,573	–	726,184	4,270,828	4,538,433	501,402	–	1,202,396	3,837,439
Series F Units	5,998	12,747	–	1,393	17,352	769	5,273	–	44	5,998
Scotia U.S. Index Fund										
Series A Units	7,979,250	3,340,252	65,228	1,383,659	10,001,071	6,718,217	2,436,076	48,788	1,223,831	7,979,250
Series D Units	86,583	142,534	1,575	50,311	180,381	21,137	76,153	996	11,703	86,583
Series F Units	14,567	7,756	191	3,041	19,473	6,592	13,807	156	5,988	14,567
Scotia U.S. Opportunities Fund										
Series A Units	2,045,098	154,099	–	373,381	1,825,816	2,198,252	181,066	–	334,220	2,045,098
Series F Units	40	2,411	–	–	2,451	1,677	–	–	1,637	40
Series I Units	46,608	26,261	–	2,233	70,636	51,450	3,667	–	8,509	46,608

8. Income Taxes

Mutual fund trusts

Each of the Trust Funds, except Scotia Private Global Credit Pool, Scotia Private Fundamental Canadian Equity Pool, Scotia Private Canadian All Cap Equity Pool, 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool, and Scotia Private International Growth 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, Scotia Private Canadian All Cap Equity Pool, 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool, and Scotia Private International Growth 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, Scotia Private Canadian All Cap Equity Pool, 1832 AM Investment Grade U.S. Corporate Bond Pool, Scotia Private Diversified International Equity Pool, and Scotia Private International Growth Equity Pool, in certain circumstances, may also be subject to alternative minimum tax under the *Income Tax Act* (Canada). Each Trust Fund distributes sufficient amounts of its net investment income, including net realized capital gains, less the amount retained to enable each Trust Fund to utilize any available tax losses or, if applicable, tax credits attributable to redemptions during the period to its unitholders such that no income tax (other than alternative minimum tax, if applicable) will be paid or payable by the Trust Funds. Such net investment income, including net realized capital gains are taxable in the hands of the unitholders.

Accordingly, the Trust Funds do not record Canadian income taxes in their financial statements.

The Trust Funds may distribute a return of capital. A return of capital is generally not taxable to unitholders but will reduce the adjusted cost base of the units held.

Mutual fund Corporation

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada). The Corporation may consist of one or more Corporate Class Funds. Each Corporate Class Fund within the Corporation represents a class of shares of the Corporation and therefore, is treated as one legal entity and a single taxpayer. As a result, the Corporation must combine its income, expenses, capital gains and capital losses of all of its Corporate Class Funds in order to determine the Corporation's tax payable as a whole and whether the Corporation will pay capital gains dividends to its shareholders.

The Corporation is subject to Part IV federal tax of 38 1/3% on the amount of taxable dividends received from taxable Canadian corporations. This tax is refundable to the Corporation at the rate of 38 1/3% on the amount of taxable dividends paid to its shareholders. The Corporation will pay out sufficient taxable dividends such that the Corporation would not be subject to Part IV tax.

The Corporation is also subject to Part I tax on other income and taxable capital gains for the year. Part I tax on taxable capital gains can be reduced by the capital gains refund available to the Corporation which is calculated based on the level of redemptions by shareholders and on capital gains dividends distributed to shareholders. Switches between Corporate Class Funds of the Corporation are treated as taxable dispositions, and accordingly, are included in redemptions for capital gains refund purposes. The Corporation will pay out sufficient capital gains dividends such that the Corporation would not be subject to Part I tax on taxable capital gains.

As a result of the capital gains refund mechanism and Part IV tax refund, the Corporation can recover any Canadian income taxes paid with respect to taxable capital gains and taxable dividends received from taxable Canadian Corporations, respectively. At this time, the Corporation is expected to have sufficient expenses to offset other income such that the Corporation would not be subject to Part I tax on other income. As a result, the Corporation does not record any provision for such income taxes.

Losses carried forward

Capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses for income tax purposes may be carried forward up to twenty years and applied against all sources of income. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position as a deferred income tax asset.

As of the 2018 tax year-end, the Corporation has no unused capital or non-capital losses.

As of the 2018 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	–	–	1,156,270
Scotia Canadian Bond Index Fund	–	–	2,246,924
Scotia Canadian Income Fund	–	–	16,782,454
Scotia Canadian Index Fund	–	–	33,916,271
Scotia Canadian Small Cap Fund	2032	142,967	15,002,221
	2038	65,488	–
Scotia CanAm Index Fund	–	–	78,305,434
Scotia Conservative Fixed Income Portfolio (Formerly Scotia Conservative Income Fund)	–	–	181,454
Scotia Dividend Balanced Fund	–	–	19,307,048
Scotia European Fund	–	–	46,804,649
Scotia Private Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)	–	–	23,847,113
Scotia Global Bond Fund	2033	554,911	29,372,419
	2037	163,068	–
Scotia Global Growth Fund	–	–	11,570,517
Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)	–	–	2,208,579
Scotia Global Small Cap Fund	–	–	21,807,788
Scotia International Index Fund	2038	737,651	12,669,307
Scotia International Equity Fund (Formerly Scotia International Value Fund)	–	–	37,281,592
Scotia Latin American Fund	–	–	21,984,712
Scotia Mortgage Income Fund	–	–	7,265,367
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	–	–	22,912,691
Scotia Private Canadian Corporate Bond Pool	–	–	18,728,487
Scotia Private Canadian Equity Pool	–	–	18,424,683
Scotia Private Canadian Preferred Share Pool	–	–	49,745,598
Scotia Private Fundamental Canadian Equity Pool	–	–	763,046
Scotia Private Global Credit Pool	–	–	20,119,877
Scotia Private Global Low Volatility Equity Pool	–	–	902,054
Scotia Private International Core Equity Pool	–	–	195,875,496
Scotia Private International Growth Equity Pool	–	–	884,173
Scotia Private North American Dividend Pool	–	–	52,812,847
Scotia Private Short-Mid Government Bond Pool	–	–	27,340,289
Scotia Private Total Return Bond Pool	–	–	6,610,481
Scotia Resource Fund	2029	400,435	36,420,787
	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	4,805,599
	2038	860,025	–
Scotia Private Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)	–	–	12,192,517
Scotia U.S. \$ Balanced Fund	2032	9,668	–
	2037	98,321	–
Scotia U.S. \$ Bond Fund	–	–	5,153,824
Scotia U.S. \$ Money Market Fund	–	–	53,526,764

Trust Funds	Year of expiry	Non-Capital Loss \$	Capital Loss \$
Scotia U.S. Equity Fund (Formerly 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	34,950,094
	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.

If applicable, the uncertain tax liabilities recorded by the Funds are shown in the Statements of Financial Position as "Provision for uncertain tax" and in the Statements of Comprehensive Income as "Foreign withholding taxes/tax reclaims". While any such provision 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, 2018 and 2017 are set out below.

Fund	2018	2017
Scotia Balanced Opportunities Fund	\$ 49,002	\$ 23,413
Scotia Canadian Balanced Fund	91,812	64,528
Scotia Canadian Equity Fund (formerly, Scotia Canadian Blue Chip Fund)	27,304	23,251
Scotia Canadian Dividend Fund	176,821	286,997
Scotia Canadian Growth Fund	101,534	127,566
Scotia Canadian Small Cap Fund	1,489	3,465
Scotia Diversified Monthly Income Fund	593,674	473,962
Scotia Dividend Balanced Fund	8,729	81,001
Scotia European Fund	8,213	2,764
Scotia Global Balanced Fund	11,357	–
Scotia Global Dividend Fund	139,454	–
Scotia Global Equity Fund (formerly, Scotia Global Opportunities Fund)	35,236	43,173
Scotia Global Small Cap Fund	42,790	28,394
Scotia Income Advantage Fund	44,498	39,627
Scotia Private International Growth Equity Pool	3,189	–
Scotia Private Diversified International Equity Pool	37,044	–
Scotia International Equity Fund (formerly, Scotia International Value Fund)	1,978	7,565
Scotia Pacific Rim Fund	1,455	7,104

Fund	2018	2017
Scotia Private Canadian All Cap Equity Pool	411,020	513,909
Scotia Private Canadian Equity Pool	78,079	—
Scotia Private Canadian Preferred Share Pool	19,011	—
Scotia Private Fundamental Canadian Equity Pool	—	—
Scotia Private International Core Equity Pool	331,114	128,396
Scotia Private North American Dividend Pool	2,227	—
Scotia Private Options Income Pool	1,255	391,681
Scotia Private Real Estate Income Pool	45,973	12,137
Scotia Private U.S. Dividend Pool	136,276	—
Scotia Resource Fund	6,120	12,888
Scotia U.S. \$ Balanced Fund	137	30,476
Scotia U.S. Equity Fund (formerly, Scotia U.S. Blue Chip Fund)	691	2,043
Scotia U.S. Dividend Fund	7,198	—
Scotia U.S. Opportunities Fund	90	12,645

10. Related Party Transactions

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia (“Scotiabank”). Scotiabank also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, and Scotia Capital Inc. (which includes ScotiaMcLeod and Scotia iTRADE), an investment dealer.

Effective May 1, 2018, Jarislowsky, Fraser Limited, sub-advisor to Scotia Private Fundamental Canadian Equity Pool, was acquired by The Bank of Nova Scotia and is now a related party to the Fund. The Manager pays to the sub-advisor a sub-advisory fee out of its management fees for portfolio advisory services.

The Manager, on behalf of the Funds, may enter into transactions or arrangements with other members of Scotiabank or certain other companies that are related or connected to the Manager (each a “related party”). All transactions between the Funds and the related parties are in the normal course of business and are carried out at arm’s length terms.

- (a) The Manager earns management fees for acting as trustee and/or manager of the Funds, as applicable and a Fixed Administration Fee in return for paying certain operating expenses of certain of Funds as detailed in note 5 and note 6 respectively. In addition, Scotiabank as custodian for certain Funds during the period earned a fee for providing custody and related services. The management fees, fixed administration fees, and custodian fees (for Funds that are not subject to Fixed Administration Fee) are disclosed in separate lines in the Statements of Comprehensive Income. The custodian fee charged to Funds that are subject to Fixed Administration Fee is paid by the Manager, in exchange for a portion of the Fixed Administration Fee received from these Funds.
- (b) Decisions about the purchase and sale of each Fund’s portfolio investments 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, 2018 and 2017 are as follows:

Fund	December 31, 2018	December 31, 2017
Scotia Balanced Opportunities Fund	46,702	39,932
Scotia Canadian Balanced Fund	40,191	34,329

Fund	December 31, 2018	December 31, 2017
Scotia Canadian Equity Fund		
(Formerly Scotia Canadian Blue Chip Fund)	14,087	9,516
Scotia Canadian Dividend Fund	118,692	190,778
Scotia Canadian Growth Fund	77,961	59,574
Scotia Canadian Index Fund	116	1,649
Scotia Canadian Small Cap Fund	4,586	6,171
Scotia Diversified Monthly Income Fund	116,471	147,422
Scotia Dividend Balanced Fund	15,028	54,901
Scotia Global Balanced Fund	720	—
Scotia Global Dividend Fund	11,884	1,504
Scotia Global Equity Fund		
(Formerly Scotia Global Opportunities Fund)	3,801	95
Scotia Global Small Cap Fund	442	—
Scotia Income Advantage Fund	9,989	9,352
Scotia International Equity Fund		
(Formerly Scotia International Value Fund)	129	—
Scotia Latin American Fund	3,495	11,461
Scotia Private Canadian All Cap Equity Pool	20,569	12,945
Scotia Private Canadian Corporate Bond Pool	8,000	—
Scotia Private Canadian Equity Pool	52,918	10,586
Scotia Private Canadian Preferred Share Pool	101,497	4,800
Scotia Private Fundamental Canadian Equity Pool	5,140	1,554
Scotia Private International Core Equity Pool	12,841	289
Scotia Private North American Dividend Pool	873	744
Scotia Private Real Estate Income Pool	62,417	30,788
Scotia Resource Fund	8,992	238
Scotia U.S. \$ Balanced Fund	—	208
Scotia U.S. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)	247	—
Scotia U.S. Dividend Fund	189	—
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 may pay a trailing commission, which is negotiated with dealers, to dealers for their financial advisors in respect of the assets of their clients invested in securities of the Funds. The Manager may also pay trailing commissions to dealers for securities purchased or held through discount brokerage accounts.
- (d) The Manager received approval from the Independent Review Committee to invest the Funds’ overnight cash with Scotiabank with interest paid by Scotiabank to the Funds based on prevailing market rates. The interest earned by the Funds is included in “Interest for distribution purposes” in the Statements of Comprehensive Income.
- (e) The Funds may invest in investment funds managed by the Manager or a related party, which are disclosed in the Schedule of Investment Portfolio for the respective Funds. These include Scotia Funds, Scotia Private Pools, Pinnacle Portfolios, Scotia ETFs, Dynamic Funds, Marquis Funds and Dynamic Private Investment Pools.
- (f) Units held by the Manager in the Funds as at December 31, 2018 and 2017, are disclosed below:

Fund	December 31, 2018	December 31, 2017
Scotia Aria Conservative Defend Portfolio	—	369 Series Premium T Units
Scotia Aria Conservative Defend Portfolio	718 Series Premium TL Units	705 Series Premium TL Units
Scotia Aria Conservative Pay Portfolio	—	733 Series Premium TL Units
Scotia Aria Equity Build Portfolio	15451 Series Premium Units	—
Scotia Aria Equity Defend Portfolio	3920 Series Premium Units	—
Scotia Aria Equity Defend Portfolio	2636 Series Premium T Units	—
Scotia Aria Equity Defend Portfolio	2635 Series Premium TH Units	—
Scotia Aria Equity Defend Portfolio	2637 Series Premium TL Units	—

Fund	December 31, 2018	December 31, 2017
Scotia Aria Equity Pay Portfolio	3799 Series Premium Units	—
Scotia Aria Equity Pay Portfolio	2532 Series Premium T Units	—
Scotia Aria Equity Pay Portfolio	2548 Series Premium TH Units	—
Scotia Aria Equity Pay Portfolio	2529 Series Premium TL Units	—
Scotia Aria Moderate Defend Portfolio	—	719 Series Premium TL Units
Scotia Aria Moderate Pay Portfolio	—	744 Series Premium TL Units
Scotia Aria Progressive Defend Portfolio	—	799 Series Premium T Units
Scotia Aria Progressive Defend Portfolio	—	425 Series Premium TH Units
Scotia Aria Progressive Defend Portfolio	756 Series Premium TL Units	737 Series Premium TL Units
Scotia Aria Progressive Pay Portfolio	—	396 Series Premium T Units
Scotia Aria Progressive Pay Portfolio	—	428 Series Premium TH Units
Scotia Aria Progressive Pay Portfolio	759 Series Premium TL Units	735 Series Premium TL Units
Scotia Balanced Opportunities Fund	28 Series F Units	28 Series F Units
Scotia Bond Fund	109 Series M Units	105 Series M Units
Scotia Canadian Equity Fund (Formerly Scotia Canadian Blue Chip Fund)	18 Series F Units	18 Series F Units
Scotia Canadian Bond Index Fund	44 Series F Units	43 Series F Units
Scotia Canadian Small Cap Fund	20 Series F Units	20 Series F Units
Scotia Canadian Small Cap Fund	100 Series K Units	100 Series K Units
Scotia CanAm Index Fund	39 Series F Units	39 Series F Units
Scotia European Fund	36 Series F Units	36 Series F Units
Scotia Global Bond Fund	49 Series F Units	49 Series F Units
Scotia Global Growth Fund	8 Series F Units	8 Series F Units
Scotia Global Equity Fund (Formerly 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	56 Series D Units	53 Series D Units
Scotia Income Advantage Fund	114 Series K Units	108 Series K Units
Scotia International Index Fund	58 Series F Units	58 Series F Units
Scotia International Equity Fund (Formerly Scotia International Value Fund)	61 Series F Units	61 Series F Units
Scotia Latin American Fund	35 Series F Units	35 Series F Units
Scotia Money Market Fund	—	102 Series K Units
Scotia Mortgage Income Fund	—	104 Series K Units
Scotia Nasdaq Index Fund	72 Series F Units	72 Series F Units
Scotia Pacific Rim Fund	43 Series F Units	43 Series F Units
Scotia Partners Balanced Income Portfolio	38 Series F Units	36 Series F Units
Scotia Partners Growth Portfolio Class	380 Series T Units	362 Series T Units
Scotia Partners Maximum Growth Portfolio Class	380 Series T Units	361 Series T Units
Scotia Private Canadian Equity Pool	—	105 Series K Units
Scotia Private North American Dividend Pool	105 Series K Units	103 Series K Units
Scotia Resource Fund	22 Series F Units	22 Series F Units
Scotia Selected Balanced Growth Portfolio	68 Series T Units	—
Scotia Selected Balanced Growth Portfolio	36 Series F Units	35 Series F Units
Scotia Selected Balanced Income Portfolio	67 Series T Units	—
Scotia Selected Balanced Income Portfolio	40 Series F Units	38 Series F Units
Scotia Selected Growth Portfolio	68 Series T Units	—
Scotia Selected Growth Portfolio	27 Series F Units	27 Series F Units
Scotia Selected Income Portfolio	67 Series T Units	—
Scotia Selected Maximum Growth Portfolio	68 Series T Units	—
Scotia Selected Maximum Growth Portfolio	26 Series F Units	26 Series F Units
Scotia U.S. Equity Fund (Formerly 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, which include investments in related funds as described in (e) above and investments in securities of Scotiabank. Any related party securities held by the Funds are disclosed in the Schedule of Investment Portfolio for the respective Funds. The Funds are also permitted to enter into derivative transactions with Scotiabank as counterparty.

- (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, 2018, unamortized guarantee fees is \$170,681 (December 31, 2017 – \$165,625).

Scotia Mortgage Income Fund pays SMC mortgage service fees for administering all mortgages it holds. The fee is equal to an annualized rate of 3/8 of 1% of the outstanding principal balance of mortgages held, paid by the Manager in exchange for a portion of the Fixed Administration Fee paid to Manager by the Fund (See Note 6).

11. Securities Lending

Some of the Funds may enter into securities lending transactions under a securities lending program with State Street Bank and Trust 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 included as part of “Securities lending” 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.

The aggregate market value of the securities on loan and the collateral received by the Funds as at December 31, 2018 and 2017 are presented below along with the income earned for the periods ended December 31, 2018 and 2017.

	As at December 31, 2018		For the period ended December 31, 2018		
	Market value of securities on loan (\$)	Market value of collateral on loan (\$)	Net amount received by the Fund (\$)	Amount earned by lending agent (\$)	Gross securities lending revenue earned (\$)
Scotia Balanced Opportunities Fund	8,310,924	8,747,534	40,352	17,294	57,646
Scotia Bond Fund	3,259,751	3,425,275	196	84	280
Scotia Canadian Balanced Fund	49,552,503	52,085,809	50,594	21,683	72,277
Scotia Canadian Bond Index Fund	11,314,726	11,884,778	8,450	3,621	12,071
Scotia Canadian Dividend Fund	313,211,690	329,246,278	278,587	119,394	397,981
Scotia Canadian Equity Fund (Formerly Scotia Canadian Blue Chip Fund)	6,351,267	6,681,963	19,195	8,226	27,421
Scotia Canadian Growth Fund	–	–	3,799	1,628	5,427
Scotia Canadian Income Fund	199,076,134	209,152,520	152,364	65,299	217,663
Scotia Canadian Index Fund	11,777,220	12,381,276	77,275	33,118	110,393
Scotia Canadian Small Cap Fund	368,341	387,682	3,836	1,644	5,480
Scotia CanAm Index Fund	31,870,862	33,500,250	19,640	8,417	28,057
Scotia Diversified Monthly Income Fund	56,170,603	59,019,197	56,139	24,060	80,199
Scotia Dividend Balanced Fund	2,477,658	2,602,096	7,306	3,131	10,437
Scotia European Fund	–	–	2,081	892	2,973
Scotia Global Balanced Fund	971,781	1,021,940	901	386	1,287
Scotia Global Bond Fund	–	–	1,304	559	1,863
Scotia Global Dividend Fund	13,370,990	14,061,131	38,120	16,337	54,457
Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)	14,591,515	15,340,805	21,238	9,102	30,340
Scotia Global Growth Fund	147,013,056	154,711,682	124,416	53,321	177,737
Scotia Global Small Cap Fund	26,013,958	27,368,571	55,762	23,898	79,660
Scotia Income Advantage Fund	5,081,991	5,338,787	5,820	2,494	8,314
Scotia International Equity Fund (Formerly Scotia International Value Fund)	349,915	367,605	1,132	485	1,617
Scotia International Index Fund	1,855,013	1,949,850	2,972	1,274	4,246
Scotia Latin American Fund	569,912	599,592	167	72	239
Scotia Money Market Fund	34,163,508	35,878,500	1,384	593	1,977
Scotia Pacific Rim Fund	617,817	649,104	1,703	730	2,433
Scotia Premium T-Bill Fund	19,901,401	20,910,256	20,514	8,792	29,306
Scotia Private Canadian All Cap Equity Pool	13,638,410	14,337,045	168,424	72,182	240,606
Scotia Private Canadian Corporate Bond Pool	173,400,783	182,204,535	16,202	6,944	23,146
Scotia Private Canadian Equity Pool	4,322,799	4,545,122	20,155	8,638	28,793
Scotia Private Canadian Preferred Share Pool	74,186	77,960	193	83	276
Scotia Private Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)	8,054,225	8,460,313	8,025	3,439	11,464
Scotia Private Fundamental Canadian Equity Pool	7,545,504	7,926,537	9,941	4,260	14,201
Scotia Private Global Credit Pool	4,689,413	4,929,537	21,510	9,219	30,729
Scotia Private Global Low Volatility Equity Pool	11,522,144	12,109,827	14,155	6,066	20,221
Scotia Private International Core Equity Pool	40,426,191	42,494,390	120,720	51,737	172,457
Scotia Private North American Dividend Pool	2,548,491	2,680,801	9,146	3,920	13,066
Scotia Private Options Income Pool	–	13,550	1,025	439	1,464
Scotia Private Real Estate Income Pool	83,984,870	88,318,593	76,157	32,639	108,796
Scotia Private Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)	–	–	3,909	1,675	5,584
Scotia Private Short-Mid Government Bond Pool	10,998,763	11,550,438	10,991	4,710	15,701
Scotia Private Total Return Bond Pool	57,661,415	60,564,595	52,255	22,395	74,650
Scotia Private U.S. Dividend Pool	49,506,856	52,062,142	22,637	9,702	32,339
Scotia Resource Fund	5,084,099	5,346,482	69,392	29,739	99,131
Scotia T-Bill Fund	–	–	5,983	2,564	8,547
Scotia U.S. \$ Balanced Fund	5,675,337	5,959,653	3,256	1,395	4,651
Scotia U.S. \$ Bond Fund	659,427	693,262	402	172	574
Scotia U.S. Dividend Fund	6,779,751	7,125,479	17,393	7,454	24,847
Scotia U.S. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)	4,084,789	4,294,056	7,881	3,378	11,259
Scotia U.S. Index Fund	5,184,514	5,452,844	2,571	1,102	3,673
Scotia U.S. Opportunities Fund	149,426	157,227	24	10	34

	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, 2018 and 2017 are listed below.

	December 31, 2018	December 31, 2017
	\$	\$
Blackstone Tactical Opportunities Fund II LP		
Scotia Income Advantage Fund	1,535,425	1,251,159
Starwood Global Opportunity Fund XI, LP, Restricted		
Scotia Diversified Monthly Income Fund	32,312,162	–
Scotia Income Advantage Fund	2,381,732	–
Timbercreek Ireland Subordinated Debenture		
Scotia Diversified Monthly Income Fund	2,709,125	–
Scotia Income Advantage Fund	204,787	–
GSO Capital Solutions Fund III LP		
Scotia Diversified Monthly Income Fund	30,364,731	–
Scotia Income Advantage Fund	2,313,973	–

13. Subsequent Events

Terminated Funds

The Advisor Series of the following Funds were terminated on January 25, 2019.

Funds

Scotia Balanced Opportunities Fund
Scotia Canadian Dividend Fund
Scotia Canadian Growth Fund
Scotia Canadian Income Fund
Scotia Diversified Monthly Income Fund
Scotia Global Growth Fund
Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)
Scotia International Equity Fund (Formerly Scotia International Value Fund)
Scotia Money Market Fund
Scotia Selected Balanced Growth Portfolio
Scotia Selected Balanced Income Portfolio
Scotia Selected Growth Portfolio
Scotia Selected Maximum Growth Portfolio

Fund Mergers

Subsequent to the end of the reporting period, on March 7, 2019, the Manager announced that it will seek regulatory and unitholder approvals in favour of merging the proposed Terminating Funds into the Continuing Fund as set out below:

Terminating Funds	Continuing Fund
Scotia Latin American Fund Scotia Pacific Rim Fund	Scotia International Equity Fund (formerly Scotia International Value Fund)

If all requisite approvals are obtained, the mergers will occur on or about July 12, 2019. For each merger that is approved, unitholders of the applicable Terminating Funds will receive units of the equivalent series of the Continuing Fund on a dollar-for-dollar basis. The Terminating Funds will then be wound up as soon as possible following the mergers.

14. Currency Legend

The following is a list of abbreviations that may be used in the Financial Statements:

AUD Australian Dollar	KRW South Korean Won
BMD Bermuda Dollar	MXN Mexican Peso
BRL Brazilian Real	MYR Malaysian Ringgit
CAD Canadian Dollar	NOK Norwegian Krone
CHF Swiss Franc	NZD New Zealand Dollar
DKK Danish Krone	PHP Philippine Peso
EUR Euro	PKR Pakistani Rupee
GBP Pound Sterling	SEK Swedish Krona
HKD Hong Kong Dollar	SGD Singapore Dollar
IDR Indonesian Rupiah	THB Thailand Baht
ILS Israeli Shekel	TWD New Taiwan Dollar
INR Indian Rupee	USD US Dollar
JPY Japanese Yen	ZAR South African Rand

Management Responsibility For Financial Reporting

The accompanying financial statements of the Funds (as defined in Note 1) have been prepared by 1832 Asset Management L.P., in its capacity as manager (the “Manager”) of the Funds, and have been approved by the Board of Directors of Scotia Corporate Class Inc. (“SCCI”), with respect to the Funds that are corporate funds (the “Corporate Funds”), and by the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., in its capacity as trustee (the “Trustee”) of the Funds, with respect to the Funds that are trust funds (the “Trust Funds”). The Board of Directors of SCCI, with respect to the Corporate Funds, and the Board of Directors of 1832 Asset Management G.P. Inc., as general partner for and on behalf of 1832 Asset Management L.P., with respect to the Trust Funds, are responsible for the information and representations contained in these financial statements and the management report of fund performance.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and include certain amounts that are based on estimates and judgments made by the Manager. The significant accounting policies which the Manager believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Board of Directors of 1832 Asset Management G.P. Inc. has delegated responsibility for oversight of the financial reporting process to the Finance Committee of the Board of Directors of 1832 Asset Management G.P. Inc. (the “Finance Committee”). The Finance Committee is responsible for reviewing the financial statements and the management report of fund performance and recommending them to the Boards of Directors of SCCI and 1832 Asset Management G.P. Inc. for approval, in addition to meeting with management, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

PricewaterhouseCoopers LLP is the external auditor of the Funds, appointed by the voting shareholders of 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.

March 8, 2019



Anil Mohan
Chief Financial Officer
1832 Asset Management L.P.



Independent Auditor's Report

To the Unitholders and Trustee or Shareholders, as applicable, of

Scotia T-Bill Fund	Scotia Global Equity Fund (Formerly Scotia Global Opportunities Fund)
Scotia Premium T-Bill Fund	Scotia Private Options Income Pool
Scotia Money Market Fund	Scotia Canadian Bond Index Fund
Scotia U.S. \$ Money Market Fund	Scotia Canadian Index Fund
Scotia Private Short Term Bond Pool (Formerly Scotia Short Term Bond Fund)	Scotia U.S. Index Fund
Scotia Private Short-Mid Government Bond Pool	Scotia CanAm Index Fund
Scotia Mortgage Income Fund	Scotia Nasdaq Index Fund
Scotia Private Floating Rate Income Pool (Formerly Scotia Floating Rate Income Fund)	Scotia International Index Fund
Scotia Conservative Fixed Income Portfolio (Formerly Scotia Conservative Income Fund)	Scotia Selected Income Portfolio
Scotia Bond Fund	Scotia Selected Balanced Income Portfolio
Scotia Canadian Income Fund	Scotia Selected Balanced Growth Portfolio
Scotia Private Total Return Bond Pool	Scotia Selected Growth Portfolio
Scotia Private Canadian Corporate Bond Pool	Scotia Selected Maximum Growth Portfolio
Scotia Private Canadian Preferred Share Pool	Scotia Partners Income Portfolio
Scotia U.S. \$ Bond Fund	Scotia Partners Balanced Income Portfolio
Scotia Global Bond Fund	Scotia Partners Balanced Growth Portfolio
Scotia Private Global Credit Pool	Scotia Partners Growth Portfolio
1832 AM Investment Grade U.S. Corporate Bond Pool	Scotia Partners Maximum Growth Portfolio
Scotia Diversified Monthly Income Fund	Scotia INNOVA Income Portfolio
Scotia Income Advantage Fund	Scotia INNOVA Balanced Income Portfolio
Scotia Canadian Balanced Fund	Scotia INNOVA Balanced Growth Portfolio
Scotia Dividend Balanced Fund	Scotia INNOVA Growth Portfolio
Scotia Balanced Opportunities Fund	Scotia INNOVA Maximum Growth Portfolio
Scotia Global Balanced Fund	Scotia Aria Conservative Build Portfolio
Scotia U.S. \$ Balanced Fund	Scotia Aria Conservative Defend Portfolio
Scotia Canadian Dividend Fund	Scotia Aria Conservative Pay Portfolio
Scotia Canadian Equity Fund (Formerly Scotia Canadian Blue Chip Fund)	Scotia Aria Moderate Build Portfolio
Scotia Private Canadian Equity Pool	Scotia Aria Moderate Defend Portfolio
Scotia Private Fundamental Canadian Equity Pool	Scotia Aria Moderate Pay Portfolio
Scotia Private Canadian All Cap Equity Pool	Scotia Aria Progressive Build Portfolio
Scotia Canadian Growth Fund	Scotia Aria Progressive Defend Portfolio
Scotia Canadian Small Cap Fund	Scotia Aria Progressive Pay Portfolio
	Scotia Aria Equity Build Portfolio
	Scotia Aria Equity Defend Portfolio
	Scotia Aria Equity Pay Portfolio
	Scotia Canadian Dividend Class
	Scotia Canadian Equity Blend Class

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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. Equity Fund (Formerly Scotia U.S. Blue Chip Fund)
Scotia U.S. Opportunities Fund
Scotia Private International Core Equity Pool
Scotia International Equity Fund (Formerly Scotia International Value Fund)
Scotia European Fund
Scotia Pacific Rim Fund
Scotia Latin American Fund
Scotia Private Diversified International Equity Pool
Scotia Private International Growth Equity Pool
Scotia Private Global Low Volatility Equity Pool
Scotia Global Dividend Fund
Scotia Global Growth Fund
Scotia Global Small Cap Fund

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, individually the Fund)

Our opinion

In our opinion, the accompanying December 31, 2018 annual financial statements of each of the Funds present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each of the Funds comprise:

- the statements of financial position as at the period-end dates indicated in note 1;
- the statements of comprehensive income for the periods indicated in note 1;
- the statements of changes in net assets attributable to holders of redeemable units for the periods indicated in note 1;
- the statements of cash flows for the periods indicated in note 1; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of each of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each of the Funds. The other information comprises the Annual Management Report of Fund Performance of each of the Funds.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each of the Funds, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each of the Funds or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the ability of each of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any of the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each of the Funds.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each of the Funds are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each of the Funds.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each of the Funds, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of each of the Funds.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each of the Funds to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each of the Funds or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any of the Funds to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements of each of the Funds, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 8, 2019

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FOR MORE INFORMATION ABOUT

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