

SCOTIA US EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2021

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2021

CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED STATEMENT OF CASH FLOWS	4
UNAUDITED NOTES TO FINANCIAL STATEMENTS	5

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31, 2021

(expressed in United States dollars)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
ASSETS			
Cash and cash equivalents	\$ 1,256,455	\$ 619,207	\$ 488,145
Financial assets at fair value through profit or loss (Cost: \$38,400,543 (December 2020: \$37,131,843; March 2020: \$40,053,572))	45,550,245	42,301,034	32,925,837
Subscriptions receivable	<u>496</u>	<u>70,537</u>	<u>7,346</u>
Total assets	<u>46,807,196</u>	<u>42,990,778</u>	<u>33,421,328</u>
LIABILITIES			
Payable for investments purchased	680,183	-	-
Redemptions payable	99,200	6,321	-
Management fee payable	49,765	46,937	39,712
Accrued expenses	<u>14,066</u>	<u>34,330</u>	<u>34,836</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>843,214</u>	<u>87,588</u>	<u>74,548</u>
Management shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>45,962,982</u>	\$ <u>42,902,190</u>	\$ <u>33,345,780</u>
Net asset value per redeemable participating share			
Class A			
\$37,197,187/1,844,719 shares (December 2020: \$35,237,397/1,824,618 shares; March 2020: \$27,260,869/1,903,052 shares)	\$ <u>20.16</u>	\$ <u>19.31</u>	\$ <u>14.32</u>
Class NU			
\$434,993/21,658 shares (December 2020: \$417,076/21,658 shares; March 2020: \$322,088/22,472 shares)	\$ <u>20.08</u>	\$ <u>19.26</u>	\$ <u>14.33</u>
Class IU			
\$8,329,935/363,940 shares (December 2020: \$7,246,890/331,879 shares; March 2020: \$5,758,726/359,777 shares)	\$ <u>22.89</u>	\$ <u>21.84</u>	\$ <u>16.01</u>
Class IJ			
JMC126,360/558 shares (December 2020: JMC117,151/558 shares; March 2020: JMC554,302/558 shares)	JMC <u>226.45</u>	JMC <u>209.95</u>	JMC <u>992.92</u>

Approved for issuance on behalf of Scotia US Equity Fund's Board of Directors by:

Farried Sulliman
Farried Sulliman
Director

Adrian Stokes
Adrian Stokes
Director

Date : May 11, 2021

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED MARCH 31, 2021

(expressed in United States dollars)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Income			
Dividend income	\$ 164,801	\$ 190,193	\$ 215,323
Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	44,285	-	(54,978)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>1,980,511</u>	<u>3,884,898</u>	<u>(8,639,939)</u>
Total net income (loss)	<u>2,189,597</u>	<u>4,075,091</u>	<u>(8,479,594)</u>
Expenses			
Management fees	143,023	133,726	132,258
Other expenses	18,059	21,980	17,153
Custodian and administration fees	16,719	17,064	17,169
Professional fees	<u>6,412</u>	<u>6,717</u>	<u>6,890</u>
Total operating expenses	<u>184,213</u>	<u>179,487</u>	<u>173,470</u>
Less: expenses reimbursed	<u>-</u>	<u>(3,331)</u>	<u>(789)</u>
Net operating expenses	<u>184,213</u>	<u>176,156</u>	<u>172,681</u>
Operating gain (loss)	<u>2,005,384</u>	<u>3,898,935</u>	<u>(8,652,275)</u>
Withholding taxes on dividend income	<u>(49,440)</u>	<u>(55,031)</u>	<u>(64,757)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,955,944</u>	<u>\$ 3,843,904</u>	<u>\$ (8,717,032)</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED MARCH 31, 2021

(expressed in United States dollars)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Shareholders' Equity			
Share Capital	\$ 12,299	\$ 11,777	\$ 12,849
Share Premium	16,579,719	15,475,393	17,276,867
Retained Earnings	27,415,020	23,571,116	24,773,096
Increase (decrease) in net assets for the quarter	<u>1,955,944</u>	<u>3,843,904</u>	<u>(8,717,032)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 45,962,982</u>	<u>\$ 42,902,190</u>	<u>\$ 33,345,780</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED MARCH 31, 2021

(expressed in United States dollars)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Cash flows from operating activities			
Dividend received	\$ 115,361	\$ 135,162	\$ 152,031
Operating expenses paid	(201,649)	(168,040)	(214,051)
Reimbursements received from manager	-	3,331	789
Purchase of financial assets at fair value through profit or loss	(844,613)	(298,654)	-
Proceeds from sale of financial assets at fair value through profit or loss	300,381	-	706,503
	<u>(630,520)</u>	<u>(328,201)</u>	<u>645,272</u>
Net cash (used in) provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	2,558,120	1,504,955	1,892,908
Payments for redemptions of redeemable participating shares	(1,290,352)	(1,231,908)	(3,048,079)
	<u>1,267,768</u>	<u>273,047</u>	<u>(1,155,171)</u>
Net cash provided by (used in) financing activities			
Net change in cash and cash equivalents	637,248	(55,154)	(509,899)
Cash and cash equivalents at beginning of period	619,207	674,361	998,044
	<u>619,207</u>	<u>674,361</u>	<u>998,044</u>
Cash and cash equivalents at end of period	\$ 1,256,455	\$ 619,207	\$ 488,145
	<u>\$ 1,256,455</u>	<u>\$ 619,207</u>	<u>\$ 488,145</u>
Supplemental cash flow disclosures			
Tax withheld	\$ 49,440	\$ 55,031	\$ 65,384
	<u>\$ 49,440</u>	<u>\$ 55,031</u>	<u>\$ 65,384</u>

SCOTIA US EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2021

1. General

Scotia US Equity Fund (the "Company") was incorporated in the Cayman Islands on October 27, 1999 and registered under the Mutual Fund Law (revised) of the Cayman Islands. The Company is an open ended investment company which may issue and redeem its shares at a price based on the underlying net asset value. The registered office of the Fund is located at 18 Forum Lane, 2nd Floor, Camana Bay, Grand Cayman, P.O. Box 501, KY1-1106. The Company has no employees.

2. Significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Security transactions are accounted for on a trade date basis. Realized gains and losses on the sales of portfolio securities are calculated on an average cost basis. Interest is recorded on an accrual basis and dividend income is recognized on the ex-dividend date.

3. Foreign currency share classes

For the classes of shares denominated in currencies other than the functional currency of the Company, the Net Asset Values are calculated by converting the US dollar Net Asset Value per Share to the JMC equivalent using the then current rate of exchange. For the quarter ended March 31, 2021, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC	USD	145.694