

SCOTIA US EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2021

SCOTIA US EQUITY FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2021

CONTENTS

| | PAGE |
|--|-------------|
| UNAUDITED STATEMENT OF FINANCIAL POSITION | 1 |
| UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME | 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 SEPTEMBER 30, 2021
(expressed in United States dollars)

| | <u>30-Sep-21</u> | <u>30-Jun-21</u> | <u>30-Sep-20</u> |
|---|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 754,183 | \$ 462,465 | \$ 674,361 |
| Financial assets at fair value through profit or loss (Cost: \$46,867,823 (June 2021: \$41,455,838; September 2020: \$36,833,189)) | 54,788,224 | 50,000,685 | 38,117,482 |
| Subscriptions receivable | <u>100,593</u> | <u>50,038</u> | <u>5,246</u> |
| Total assets | <u>55,643,000</u> | <u>50,513,188</u> | <u>38,797,089</u> |
| LIABILITIES | | | |
| Redemptions payable | 99,722 | 10,000 | - |
| Management fee payable | 57,062 | 53,395 | 41,754 |
| Accrued expenses | <u>42,761</u> | <u>29,420</u> | <u>28,066</u> |
| Liabilities (excluding net assets attributable to holders of redeemable participating shares) | <u>199,545</u> | <u>92,815</u> | <u>69,820</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>55,442,455</u> | \$ <u>50,419,373</u> | \$ <u>38,726,269</u> |
| Net asset value per redeemable participating share | | | |
| Class A | | | |
| \$41,670,348/\$1,980,955 shares (June 2021: \$40,834,078/1,917,729 shares; September 2020: \$31,567,967/1,795,905 shares) | <u>\$ 21.04</u> | <u>\$ 21.29</u> | <u>\$ 17.58</u> |
| Class NU | | | |
| \$443,656/\$21,222 shares (June 2021: \$449,593/21,222 shares; September 2020: \$394,337/22,472 shares) | <u>\$ 20.91</u> | <u>\$ 21.19</u> | <u>\$ 17.55</u> |
| Class IU | | | |
| \$13,327,538/\$553,747 shares (June 2021: \$9,134,782/376,460 shares; September 2020: \$6,763,216/341,642 shares) | <u>\$ 24.07</u> | <u>\$ 24.26</u> | <u>\$ 19.80</u> |
| Class IJ | | | |
| JMC\$134,861/\$558 shares (June 2021: JMC137,795/558 shares; September 2020: JMC106,138/558 shares) | JMC <u>241.69</u> | JMC <u>246.94</u> | JMC <u>190.21</u> |

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

Faried Sulliman
Faried Sulliman
Director

Adrian Stokes
Adrian Stokes
Director

Date : November 12, 2021

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

QUARTER ENDED SEPTEMBER 30, 2021

(expressed in United States dollars)

| | <u>30-Sep-21</u> | <u>30-Jun-21</u> | <u>30-Sep-20</u> |
|--|---------------------|---------------------|---------------------|
| Income | | | |
| Dividend income | \$ 227,600 | \$ 176,434 | \$ 163,577 |
| Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies | - | 1,321,795 | (790,198) |
| Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss and foreign currencies | <u>(624,446)</u> | <u>1,395,145</u> | <u>3,489,065</u> |
| Total net income | <u>(396,846)</u> | <u>2,893,374</u> | <u>2,862,444</u> |
| Expenses | | | |
| Management fees | 172,993 | 158,429 | 127,172 |
| Other expenses | 18,260 | 18,075 | 17,539 |
| Custodian and administration fees | 17,126 | 16,935 | 17,381 |
| Professional fees | <u>6,231</u> | <u>6,147</u> | <u>6,716</u> |
| Total operating expenses | <u>214,610</u> | <u>199,586</u> | <u>168,808</u> |
| Operating (loss) gain | <u>(611,456)</u> | <u>2,693,788</u> | <u>2,693,636</u> |
| Withholding taxes on dividend income | <u>(68,279)</u> | <u>(52,931)</u> | <u>(49,073)</u> |
| (Decrease) increase in net assets from operations attributable to holders of redeemable participating shares | <u>\$ (679,735)</u> | <u>\$ 2,640,857</u> | <u>\$ 2,644,563</u> |

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED SEPTEMBER 30, 2021

(expressed in United States dollars)

| | <u>30-Sep-21</u> | <u>30-Jun-21</u> | <u>30-Sep-20</u> |
|---|----------------------|----------------------|----------------------|
| Shareholders' Equity | | | |
| Share Capital | \$ 15,555 | \$ 13,150 | \$ 11,596 |
| Share Premium | 24,094,814 | 18,394,402 | 15,143,557 |
| Retained Earnings | 32,011,821 | 29,370,964 | 20,926,553 |
| (Decrease) increase in net assets for the quarter | <u>(679,735)</u> | <u>2,640,857</u> | <u>2,644,563</u> |
| Net assets attributable to holders of redeemable participating shares | <u>\$ 55,442,455</u> | <u>\$ 50,419,373</u> | <u>\$ 38,726,269</u> |

SCOTIA US EQUITY FUND
UNAUDITED STATEMENT OF CASH FLOWS
QUARTER ENDED SEPTEMBER 30, 2021
(expressed in United States dollars)

| | <u>30-Sep-21</u> | <u>30-Jun-21</u> | <u>30-Sep-20</u> |
|---|--------------------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Dividend received | \$ 159,321 | \$ 123,503 | \$ 114,504 |
| Operating expenses paid | (197,602) | (180,602) | (167,410) |
| Purchase of financial assets at fair value through profit or loss | (5,411,985) | (13,027,254) | (3,281,617) |
| Proceeds from sale of financial assets at fair value through profit or loss | - | 10,613,571 | 5,315,111 |
| | <u>(5,450,266)</u> | <u>(2,470,782)</u> | <u>1,980,588</u> |
| Net cash (used in) provided by operating activities | | | |
| Cash flows from financing activities | | | |
| Proceeds from subscriptions of redeemable participating shares | 6,560,695 | 2,404,211 | 1,039,112 |
| Payments for redemptions of redeemable participating shares | (818,711) | (727,419) | (2,468,098) |
| | <u>5,741,984</u> | <u>1,676,792</u> | <u>(1,428,986)</u> |
| Net cash provided by (used in) financing activities | | | |
| Net change in cash and cash equivalents | 291,718 | 793,990 | 551,602 |
| Cash and cash equivalents at beginning of period | <u>462,465</u> | <u>1,256,455</u> | <u>122,759</u> |
| Cash and cash equivalents at end of period | <u>\$ 754,183</u> | <u>\$ 462,465</u> | <u>\$ 674,361</u> |
| Supplemental cash flow disclosures | | | |
| Tax withheld | <u>\$ 68,279</u> | <u>\$ 52,931</u> | <u>\$ 49,073</u> |

SCOTIA US EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 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 September 30, 2021, the current rate of exchange is:

| <u>Share Class</u> | <u>Currency</u> | <u>Functional Currency</u> | <u>Exchange Rate</u> |
|--------------------|-----------------|----------------------------|----------------------|
| JMC | | USD | 147.712 |