

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2021

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SCOTIA US EQUITY FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
ASSETS			
Cash and cash equivalents	\$ 1,021,439	\$ 754,183	\$ 619,207
Financial assets at fair value through profit or loss (Cost: \$49,694,101 (September 2021: \$46,867,823; December 2020: \$37,131,843))	62,776,921	54,788,224	42,301,034
Subscriptions receivable	<u>164,044</u>	<u>100,593</u>	<u>70,537</u>
Total assets	<u>63,962,404</u>	<u>55,643,000</u>	<u>42,990,778</u>
LIABILITIES			
Management fee payable	63,939	57,062	46,937
Accrued expenses	42,481	42,761	34,330
Redemptions payable	<u>3,762</u>	<u>99,722</u>	<u>6,321</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>110,182</u>	<u>199,545</u>	<u>87,588</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>63,851,222</u>	\$ <u>55,442,455</u>	\$ <u>42,902,190</u>
Net asset value per redeemable participating share			
Class A			
\$48,114,443/\$2,099,370 shares (September 2021: \$41,670,348/1,980,955 shares; December 2020: \$35,237,397/1,824,618 shares)	<u>\$ 22.92</u>	<u>\$ 21.04</u>	<u>\$ 19.31</u>
Class NU			
\$479,082/\$21,057 shares (September 2021: \$443,656/21,222 shares; December 2020: \$417,076/21,658 shares)	<u>\$ 22.75</u>	<u>\$ 20.91</u>	<u>\$ 19.26</u>
Class IU			
\$15,256,698/\$579,485 shares (September 2021: \$13,327,538/553,747 shares; December 2020: \$7,246,890/331,879 shares)	<u>\$ 26.33</u>	<u>\$ 24.07</u>	<u>\$ 21.84</u>
Class IJ			
JMC\$153,922/\$558 shares (September 2021: JMC134,861/558 shares; December 2020: JMC117,151/558 shares)	<u>JMC 275.85</u>	<u>JMC 241.69</u>	<u>JMC 209.95</u>

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

Farried Sulliman
Farried Sulliman
Director

Kiyomi Daniel
Kiyomi Daniel
Director

Date : February 11, 2022

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED DECEMBER 31, 2021

(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
Income			
Dividend income	\$ 273,064	\$ 227,600	\$ 190,193
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>5,162,419</u>	<u>(624,446)</u>	<u>3,884,898</u>
Total net income (loss)	<u>5,435,483</u>	<u>(396,846)</u>	<u>4,075,091</u>
Expenses			
Management fees	184,064	172,993	133,726
Other expenses	18,261	18,260	21,980
Custodian and administration fees	17,126	17,126	17,064
Professional fees	<u>6,231</u>	<u>6,231</u>	<u>6,717</u>
Total operating expenses	<u>225,682</u>	<u>214,610</u>	<u>179,487</u>
Less: expenses reimbursed	-	-	(3,331)
Net operating expenses	<u>225,682</u>	<u>214,610</u>	<u>176,156</u>
Operating gain (loss)	<u>5,209,801</u>	<u>(611,456)</u>	<u>3,898,935</u>
Withholding taxes on dividend income	<u>(81,633)</u>	<u>(68,279)</u>	<u>(55,031)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 5,128,168</u>	<u>\$ (679,735)</u>	<u>\$ 3,843,904</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED DECEMBER 31, 2021

(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
Shareholders' Equity			
Share Capital	\$ 16,995	\$ 15,555	\$ 11,777
Share Premium	27,373,973	24,094,814	15,475,393
Retained Earnings	31,332,086	32,011,821	23,571,116
Increase (decrease) in net assets for the quarter	<u>5,128,168</u>	<u>(679,735)</u>	<u>3,843,904</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 63,851,222</u>	<u>\$ 55,442,455</u>	<u>\$ 42,902,190</u>

SCOTIA US EQUITY FUND
UNAUDITED STATEMENT OF CASH FLOWS
QUARTER ENDED DECEMBER 31, 2021
(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
Cash flows from operating activities			
Dividend received	\$ 191,431	\$ 159,321	\$ 135,162
Operating expenses paid	(321,922)	(197,602)	(168,040)
Reimbursements received from manager	-	-	3,331
Purchase of financial assets at fair value through profit or loss	<u>(2,826,278)</u>	<u>(5,411,985)</u>	<u>(298,654)</u>
Net cash (used in) provided by operating activities	<u>(2,956,769)</u>	<u>(5,450,266)</u>	<u>328,201</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	4,721,059	6,560,695	1,504,955
Payments for redemptions of redeemable participating shares	<u>(1,497,034)</u>	<u>(818,711)</u>	<u>(1,231,908)</u>
Net cash provided by financing activities	<u>3,224,025</u>	<u>5,741,984</u>	<u>273,047</u>
Net change in cash and cash equivalents	267,256	291,718	(55,154)
Cash and cash equivalents at beginning of period	<u>754,183</u>	<u>462,465</u>	<u>674,361</u>
Cash and cash equivalents at end of period	<u>\$ 1,021,439</u>	<u>\$ 754,183</u>	<u>\$ 619,207</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 81,633</u>	<u>\$ 68,279</u>	<u>\$ 55,031</u>

SCOTIA US EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 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 December 31, 2021, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	154.031