

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2021

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SCOTIA CANADIAN 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	\$ 77,141	\$ 352,143	\$ 429,542
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$21,195,150 (December 2020: \$21,172,035; March 2020: \$22,241,557))	27,865,265	25,917,110	19,579,398
Derivatives	14,366	565	561,674
Dividends receivable	76,646	56,985	49,408
Receivable from Manager	25,713	3,851	22,077
Subscriptions receivable	496	3,466	1,684
Receivable for investments sold	-	-	461,402
	<u>28,059,627</u>	<u>26,334,120</u>	<u>21,105,185</u>
Total assets			
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	119,639	204,309	8,322
Management fee payable	47,341	44,424	36,494
Tax withholding liability	19,636	14,691	12,795
Accrued expenses	16,976	36,188	26,261
Redemptions payable	-	4,005	-
Payable for investments purchased	-	-	481,310
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>203,592</u>	<u>303,617</u>	<u>565,182</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 27,855,267</u>	<u>\$ 26,029,735</u>	<u>\$ 20,539,235</u>
Net asset value per redeemable participating share			
Class A \$24,417,439/7,659,990 shares (December 2020: \$22,968,144/7,810,172 shares; March 2020: \$18,106,908/8,054,767 shares)	<u>\$ 3.19</u>	<u>\$ 2.94</u>	<u>\$ 2.25</u>
Class NU \$786,957/247,080 shares (December 2020: \$726,904/247,080 shares; March 2020: \$612,490/271,335 shares)	<u>\$ 3.19</u>	<u>\$ 2.94</u>	<u>\$ 2.26</u>
Class IU \$1,112/357 shares (December 2020: \$1,022/357 shares; March 2020: \$771/357 shares)	<u>\$ 3.11</u>	<u>\$ 2.86</u>	<u>\$ 2.16</u>
Class AC CDN2,363,199/517,510 shares (December 2020: CDN2,069,387/484,200 shares; March 2020: CDN1,797,977/497,148 shares)	<u>CDN 4.57</u>	<u>CDN 4.27</u>	<u>CDN 3.62</u>
Class NC CDN965,798/233,693 shares (December 2020: CDN905,081/233,693 shares; March 2020: CDN768,770/233,693 shares)	<u>CDN 4.13</u>	<u>CDN 3.87</u>	<u>CDN 3.29</u>
Class IC CDN1,556/320 shares (December 2020: CDN1,450/320 shares; March 2020: CDN1,212/320 shares)	<u>CDN 4.86</u>	<u>CDN 4.53</u>	<u>CDN 3.79</u>
Class IJ JMC83,761/558 shares (December 2020: JMC74,751/558 shares; March 2020: JMC57,291/558 shares)	<u>JMC 150.11</u>	<u>JMC 133.96</u>	<u>JMC 96.25</u>

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

Farried Sulliman
Farried Sulliman
Director

Adrian Stokes
Adrian Stokes
Director

Date: May 11, 2021

SCOTIA CANADIAN 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	\$ 180,363	\$ 163,454	\$ 175,072
Interest income	-	-	147
Other income	146	-	-
Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	187,222	(9,910)	(839,557)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>2,023,270</u>	<u>2,267,816</u>	<u>(4,632,229)</u>
Total net income (loss)	<u>2,391,001</u>	<u>2,421,360</u>	<u>(5,296,567)</u>
Expenses			
Management fees	133,919	126,452	125,329
Custodian and administration fees	24,328	24,782	22,978
Other expenses	21,386	25,490	20,537
Professional fees	<u>6,406</u>	<u>6,716</u>	<u>6,896</u>
Total operating expenses	186,039	183,440	175,740
Less: expenses reimbursed	<u>(21,862)</u>	<u>(28,404)</u>	<u>(22,076)</u>
Net operating expenses	<u>164,177</u>	<u>155,036</u>	<u>153,664</u>
Operating profit (loss)	2,226,824	2,266,324	(5,450,231)
Withholding taxes on dividend income	<u>(44,185)</u>	<u>(39,915)</u>	<u>(44,579)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 2,182,639</u>	<u>\$ 2,226,409</u>	<u>\$ (5,494,810)</u>

SCOTIA CANADIAN 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	\$ 80,920	\$ 82,089	\$ 84,907
Share Premium	21,881,239	22,237,177	22,951,129
Retained Earnings	3,710,469	1,484,060	2,998,009
Increase (decrease) in net assets for the quarter	<u>2,182,639</u>	<u>2,226,409</u>	<u>(5,494,810)</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>27,855,267</u>	\$ <u>26,029,735</u>	\$ <u>20,539,235</u>

SCOTIA CANADIAN 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	\$ 121,462	\$ 123,299	\$ 133,266
Interest income received	-	-	147
Other income received	146	-	-
Operating expenses paid	(202,334)	(173,778)	(230,640)
Reimbursements received from Manager	-	108,410	19,048
Purchase of financial assets at fair value through profit or loss	(921,430)	(835,323)	(1,555,248)
Proceeds from sale of financial assets at fair value through profit or loss	1,085,537	1,041,379	2,054,625
Net change in unrealized (gain) loss on foreign currencies	98,230	(259,134)	826,331
Net change in unrealized (appreciation) depreciation on derivatives	(98,471)	258,943	(826,001)
	<u>83,140</u>	<u>263,796</u>	<u>421,528</u>
Net cash provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	356,080	671,225	280,511
Payments for redemptions of redeemable participating shares	(714,222)	(885,917)	(737,224)
	<u>(358,142)</u>	<u>(214,692)</u>	<u>(456,713)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents	(275,002)	49,104	(35,185)
Cash and cash equivalents at beginning of period	<u>352,143</u>	<u>303,039</u>	<u>464,727</u>
Cash and cash equivalents at end of period	<u>\$ 77,141</u>	<u>\$ 352,143</u>	<u>\$ 429,542</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 39,240</u>	<u>\$ 39,811</u>	<u>\$ 45,090</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2021

1. General

Scotia Canadian Equity Fund (the "Company") was incorporated in the Cayman Islands on June 23, 1994 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 USD Net Asset Value per Share to the CDN or JMC equivalent using the then current rate of exchange. For the quarter ended March 31, 2021, the current rates of exchange are:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN		USD	1.257
JMC		USD	145.694