

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

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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 CANADIAN 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	\$ 714,374	\$ 597,745	\$ 303,039
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$22,263,961 (June 2021: \$21,499,026; September 2020: \$21,388,001))	30,575,824	30,204,540	23,606,126
Derivatives	64,355	-	55,199
Dividends receivable	72,161	70,737	83,857
Receivable from Manager	56,285	40,059	56,641
Subscriptions receivable	10,484	100,530	11,296
	<u>31,493,483</u>	<u>31,013,611</u>	<u>24,116,158</u>
Total assets	<u>31,493,483</u>	<u>31,013,611</u>	<u>24,116,158</u>
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	-	9,015	-
Accrued expenses	53,840	34,374	30,808
Management fee payable	53,393	51,451	40,142
Tax withholding liability	18,454	15,597	14,587
Redemptions payable	3,582	10,001	-
Payable for investments purchased	-	9,846	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>129,269</u>	<u>130,284</u>	<u>85,537</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 31,363,446</u>	<u>\$ 30,882,559</u>	<u>\$ 24,029,853</u>
Net asset value per redeemable participating share			
Class A			
\$27,054,375/7,950,654 shares (June 2021: \$26,945,571/7,897,772 shares; September 2020: \$21,145,599/7,870,478 shares)	<u>\$ 3.40</u>	<u>\$ 3.41</u>	<u>\$ 2.69</u>
Class NU			
\$824,378/243,083 shares (June 2021: \$827,632/243,083 shares; September 2020: \$701,900/260,818 shares)	<u>\$ 3.39</u>	<u>\$ 3.40</u>	<u>\$ 2.69</u>
Class IU			
\$1,198/357 shares (June 2021: \$1,196/357 shares; September 2020: \$930/357 shares)	<u>\$ 3.35</u>	<u>\$ 3.35</u>	<u>\$ 2.60</u>
Class AC			
CDN3,377,211/687,546 shares (June 2021: CDN2,286,955/588,263 shares; September 2020: CDN2,039,664/500,073 shares)	<u>CDN 4.91</u>	<u>CDN 4.82</u>	<u>CDN 4.08</u>
Class NC			
CDN1,036,377/233,693 shares (June 2021: CDN821,206/233,693 shares; September 2020: CDN864,849/233,693 shares)	<u>CDN 4.43</u>	<u>CDN 4.36</u>	<u>CDN 3.70</u>
Class IC			
CDN000/000 shares (June 2021: CDN000/000 shares; September 2020: CDN1,378/320 shares)	<u>CDN 0.00</u>	<u>CDN 0.00</u>	<u>CDN 4.31</u>
Class IJ			
JMC000/000 shares (June 2021: JMC000/000 shares; September 2020: JMC67,936/558 shares)	<u>JMC 0.00</u>	<u>JMC 0.00</u>	<u>JMC 121.75</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: November 12, 2021

SCOTIA CANADIAN 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	\$ 174,493	\$ 177,637	\$ 164,667
Other income	176	-	17,288
Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	289,245	(104,069)	(242,382)
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>(314,609)</u>	<u>2,128,485</u>	<u>1,693,045</u>
Total net income	<u>149,305</u>	<u>2,202,053</u>	<u>1,632,618</u>
Expenses			
Management fees	161,817	150,587	122,612
Custodian and administration fees	25,010	24,733	36,258
Other expenses	21,576	21,343	20,961
Professional fees	<u>6,231</u>	<u>6,164</u>	<u>6,716</u>
Total operating expenses	214,634	202,827	186,547
Less: expenses reimbursed	<u>(16,231)</u>	<u>(18,198)</u>	<u>(36,213)</u>
Net operating expenses	<u>198,403</u>	<u>184,629</u>	<u>150,334</u>
Operating (loss) profit	(49,098)	2,017,424	1,482,284
Withholding taxes on dividend income	<u>(46,467)</u>	<u>(41,148)</u>	<u>(40,298)</u>
(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (95,565)</u>	<u>\$ 1,976,276</u>	<u>\$ 1,441,986</u>

SCOTIA CANADIAN 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	\$ 85,479	\$ 83,957	\$ 82,988
Share Premium	23,504,148	22,929,218	22,462,805
Retained Earnings	7,869,384	5,893,108	42,074
(Decrease) increase in net assets for the quarter	<u>(95,565)</u>	<u>1,976,276</u>	<u>1,441,986</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 31,363,446</u>	<u>\$ 30,882,559</u>	<u>\$ 24,029,853</u>

SCOTIA CANADIAN 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	\$ 129,459	\$ 138,359	\$ 118,994
Other income received	176	-	17,288
Operating expenses paid	(193,226)	(181,319)	(174,335)
Reimbursements received from Manager	5	3,852	3
Purchase of financial assets at fair value through profit or loss	(923,254)	(694,366)	(216,809)
Proceeds from sale of financial assets at fair value through profit or loss	437,718	296,267	304,507
Net change in unrealized loss on foreign currencies	79,042	93,086	296,025
Net change in unrealized appreciation on derivatives	(73,370)	(96,258)	(296,994)
	<u>(543,450)</u>	<u>(440,379)</u>	<u>48,679</u>
Net cash (used in) provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,264,632	1,421,955	143,528
Payments for redemptions of redeemable participating shares	(604,553)	(460,972)	(425,547)
	<u>660,079</u>	<u>960,983</u>	<u>(282,019)</u>
Net cash provided by (used in) financing activities			
Net change in cash and cash equivalents	116,629	520,604	(233,340)
Cash and cash equivalents at beginning of period	<u>597,745</u>	<u>77,141</u>	<u>536,379</u>
Cash and cash equivalents at end of period	<u>\$ 714,374</u>	<u>\$ 597,745</u>	<u>\$ 303,039</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 43,610</u>	<u>\$ 45,187</u>	<u>\$ 38,521</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 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 September 30, 2021, the current rates of exchange are:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN		USD	1.267
JMC		USD	147.712