

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
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SCOTIA CANADIAN 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	\$ 1,685,749	\$ 714,374	\$ 352,143
Financial assets at fair value through profit or loss:			
Equity securities: (Cost: \$23,880,243 (September 2021: \$22,263,961; December 2020: \$21,172,035))	33,814,495	30,575,824	25,917,110
Derivatives	181,990	64,355	565
Dividends receivable	67,853	72,161	56,985
Receivable from Manager	15,099	56,285	3,851
Subscriptions receivable	11,976	10,484	3,466
	<u>35,777,162</u>	<u>31,493,483</u>	<u>26,334,120</u>
Total assets			
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	52,108	-	204,309
Accrued expenses	57,255	53,840	36,188
Management fee payable	56,814	53,393	44,424
Tax withholding liability	17,323	18,454	14,691
Redemptions payable	-	3,582	4,005
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>183,500</u>	<u>129,269</u>	<u>303,617</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,592,894</u>	<u>\$ 31,363,446</u>	<u>\$ 26,029,735</u>
Net asset value per redeemable participating share			
Class A \$31,122,503/8,623,560 shares (September 2021: \$27,054,375/7,950,654 shares; December 2020: \$22,968,144/7,810,172 shares)	<u>\$ 3.61</u>	<u>\$ 3.40</u>	<u>\$ 2.94</u>
Class NU \$803,465/223,663 shares (September 2021: \$824,378/243,083 shares; December 2020: \$726,904/247,080 shares)	<u>\$ 3.59</u>	<u>\$ 3.39</u>	<u>\$ 2.94</u>
Class IU \$1,277/357 shares (September 2021: \$1,198/357 shares; December 2020: \$1,022/357 shares)	<u>\$ 3.58</u>	<u>\$ 3.35</u>	<u>\$ 2.86</u>
Class AC CDN3,542,671/680,780 shares (September 2021: CDN3,377,211/687,546 shares; December 2020: CDN2,069,387/484,200 shares)	<u>CDN 5.20</u>	<u>CDN 4.91</u>	<u>CDN 4.27</u>
Class NC CDN1,096,575/233,693 shares (September 2021: CDN1,036,377/233,693 shares; December 2020: CDN905,081/233,693 shares)	<u>CDN 4.69</u>	<u>CDN 4.43</u>	<u>CDN 3.87</u>
Class IC CDN000/000 shares (September 2021: CDN000/000 shares; December 2020: CDN1,450/320 shares)	<u>CDN 0.00</u>	<u>CDN 0.00</u>	<u>CDN 4.53</u>
Class IJ JMC000/000 shares (September 2021: JMC000/000 shares; December 2020: JMC74,751/558 shares)	<u>JMC 0.00</u>	<u>JMC 0.00</u>	<u>JMC 133.96</u>

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

Farried Sulliman
Farried Sulliman
Director

Kiyomi Daniel
Kiyomi Daniel
Director

Date: February 11, 2022

SCOTIA CANADIAN 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	\$ 185,386	\$ 174,493	\$ 163,454
Other income	-	176	-
Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	293,673	289,245	(9,910)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>1,688,439</u>	<u>(314,609)</u>	<u>2,267,816</u>
Total net income	<u>2,167,498</u>	<u>149,305</u>	<u>2,421,360</u>
Expenses			
Management fees	166,793	161,817	126,452
Custodian and administration fees	25,012	25,010	24,782
Other expenses	21,799	21,576	25,490
Professional fees	<u>6,231</u>	<u>6,231</u>	<u>6,716</u>
Total operating expenses	219,835	214,634	183,440
Less: expenses reimbursed	<u>(15,094)</u>	<u>(16,231)</u>	<u>(28,404)</u>
Net operating expenses	<u>204,741</u>	<u>198,403</u>	<u>155,036</u>
Operating profit (loss)	1,962,757	(49,098)	2,266,324
Withholding taxes on dividend income	<u>(45,893)</u>	<u>(46,467)</u>	<u>(39,915)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,916,864</u>	<u>\$ (95,565)</u>	<u>\$ 2,226,409</u>

SCOTIA CANADIAN 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	\$ 91,945	\$ 85,479	\$ 82,089
Share Premium	25,810,266	23,504,148	22,237,177
Retained Earnings	7,773,819	7,869,384	1,484,060
Increase (decrease) in net assets for the quarter	<u>1,916,864</u>	<u>(95,565)</u>	<u>2,226,409</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,592,894</u>	<u>\$ 31,363,446</u>	<u>\$ 26,029,735</u>

SCOTIA CANADIAN 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	\$ 142,670	\$ 129,459	\$ 123,299
Other income received	-	176	-
Operating expenses paid	(212,999)	(193,226)	(173,778)
Reimbursements received from Manager	56,280	5	108,410
Purchase of financial assets at fair value through profit or loss	(2,615,311)	(923,254)	(835,323)
Proceeds from sale of financial assets at fair value through profit or loss	1,292,702	437,718	1,041,379
Net change in unrealized loss (gain) on foreign currencies	66,050	79,042	(259,134)
Net change in unrealized (appreciation) depreciation on derivatives	(65,527)	(73,370)	258,943
	<u>(1,336,135)</u>	<u>(543,450)</u>	<u>263,796</u>
Net cash (used in) provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	3,761,940	1,264,632	671,225
Payments for redemptions of redeemable participating shares	(1,454,430)	(604,553)	(885,917)
	<u>2,307,510</u>	<u>660,079</u>	<u>(214,692)</u>
Net cash provided by (used in) financing activities			
Net change in cash and cash equivalents	971,375	116,629	49,104
Cash and cash equivalents at beginning of period	<u>714,374</u>	<u>597,745</u>	<u>303,039</u>
Cash and cash equivalents at end of period	<u>\$ 1,685,749</u>	<u>\$ 714,374</u>	<u>\$ 352,143</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 47,024</u>	<u>\$ 43,610</u>	<u>\$ 39,811</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 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 December 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	1.266
JMC		USD	154.031