

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2021

CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE 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 JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
ASSETS			
Cash and cash equivalents	\$ 597,745	\$ 77,141	\$ 536,379
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$21,499,026 (March 2021: \$21,195,150; June 2020: \$21,718,081))	30,204,540	27,865,265	22,539,186
Derivatives	-	14,366	-
Dividends receivable	70,737	76,646	49,489
Receivable from Manager	40,059	25,713	47,647
Subscriptions receivable	<u>100,530</u>	<u>496</u>	<u>3,684</u>
Total assets	<u>31,013,611</u>	<u>28,059,627</u>	<u>23,176,385</u>
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	9,015	119,639	241,795
Management fee payable	51,451	47,341	38,334
Accrued expenses	34,374	16,976	20,404
Tax withholding liability	15,597	19,636	12,810
Redemptions payable	10,001	-	-
Payable for investments purchased	<u>9,846</u>	<u>-</u>	<u>-</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>130,284</u>	<u>203,592</u>	<u>313,343</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 30,882,559</u>	<u>\$ 27,855,267</u>	<u>\$ 22,862,274</u>
Net asset value per redeemable participating share			
Class A			
\$26,945,571/7,897,772 shares (March 2021: \$24,417,439/7,659,990 shares; June 2020: \$20,156,351/7,977,072 shares)	<u>\$ 3.41</u>	<u>\$ 3.19</u>	<u>\$ 2.53</u>
Class NU			
\$827,632/243,083 shares (March 2021: \$786,957/247,080 shares; June 2020: \$660,952/260,818 shares)	<u>\$ 3.40</u>	<u>\$ 3.19</u>	<u>\$ 2.53</u>
Class IU			
\$1,196/357 shares (March 2021: \$1,112/357 shares; June 2020: \$871/357 shares)	<u>\$ 3.35</u>	<u>\$ 3.11</u>	<u>\$ 2.44</u>
Class AC			
CDN2,286,955/588,263 shares (March 2021: CDN2,363,199/517,510 shares; June 2020: CDN1,949,002/497,208 shares)	<u>CDN 4.82</u>	<u>CDN 4.57</u>	<u>CDN 3.92</u>
Class NC			
CDN821,206/233,693 shares (March 2021: CDN965,798/233,693 shares; June 2020: CDN832,213/233,693 shares)	<u>CDN 4.36</u>	<u>CDN 4.13</u>	<u>CDN 3.56</u>
Class IC			
CDN000/000 shares (March 2021: CDN1,556/320 shares; June 2020: CDN1,319/320 shares)	<u>CDN 0.00</u>	<u>CDN 4.86</u>	<u>CDN 4.12</u>
Class IJ			
JMC000/000 shares (March 2021: JMC83,761/558 shares; June 2020: JMC62,738/558 shares)	<u>JMC 0.00</u>	<u>JMC 150.11</u>	<u>JMC 112.43</u>

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

Farrled Sulliman
Farrled Sulliman
Director

Adrian Stokes
Adrian Stokes
Director

Date: August 12, 2021

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
Income			
Dividend income	\$ 177,637	\$ 180,363	\$ 157,223
Other income	-	146	-
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(104,069)	187,222	(131,292)
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>2,128,485</u>	<u>2,023,270</u>	<u>2,688,093</u>
Total net income	<u>2,202,053</u>	<u>2,391,001</u>	<u>2,714,024</u>
Expenses			
Management fees	150,587	133,919	111,619
Custodian and administration fees	24,733	24,328	23,581
Other expenses	21,343	21,386	20,580
Professional fees	<u>6,164</u>	<u>6,406</u>	<u>6,643</u>
Total operating expenses	202,827	186,039	162,423
Less: expenses reimbursed	<u>(18,198)</u>	<u>(21,862)</u>	<u>(25,571)</u>
Net operating expenses	<u>184,629</u>	<u>164,177</u>	<u>136,852</u>
Operating profit	2,017,424	2,226,824	2,577,172
Withholding taxes on dividend income	<u>(41,148)</u>	<u>(44,185)</u>	<u>(38,297)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,976,276</u>	<u>\$ 2,182,639</u>	<u>\$ 2,538,875</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
Shareholders' Equity			
Share Capital	\$ 83,957	\$ 80,920	\$ 84,026
Share Premium	22,929,218	21,881,239	22,736,174
Retained Earnings	5,893,108	3,710,469	(2,496,801)
Increase in net assets for the quarter	<u>1,976,276</u>	<u>2,182,639</u>	<u>2,538,875</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>30,882,559</u>	\$ <u>27,855,267</u>	\$ <u>22,862,274</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
Cash flows from operating activities			
Dividend received	\$ 138,359	\$ 121,462	\$ 118,860
Other income received	-	146	-
Operating expenses paid	(181,319)	(202,334)	(166,440)
Reimbursements received from Manager	3,852	-	1
Purchase of financial assets at fair value through profit or loss	(694,366)	(921,430)	(1,771,696)
Proceeds from sale of financial assets at fair value through profit or loss	296,267	1,085,537	2,143,972
Net change in unrealized loss (gain) on foreign currencies	93,086	98,230	(795,171)
Net change in unrealized (appreciation) depreciation on derivatives	(96,258)	(98,471)	795,147
	<u>(440,379)</u>	<u>83,140</u>	<u>324,673</u>
Net cash (used in) provided by operating activities			
	<u>(440,379)</u>	<u>83,140</u>	<u>324,673</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,421,955	356,080	98,816
Payments for redemptions of redeemable participating shares	(460,972)	(714,222)	(316,652)
	<u>960,983</u>	<u>(358,142)</u>	<u>(217,836)</u>
Net cash provided by (used in) financing activities			
	<u>960,983</u>	<u>(358,142)</u>	<u>(217,836)</u>
Net change in cash and cash equivalents	520,604	(275,002)	106,837
Cash and cash equivalents at beginning of period	<u>77,141</u>	<u>352,143</u>	<u>429,542</u>
Cash and cash equivalents at end of period	<u>\$ 597,745</u>	<u>\$ 77,141</u>	<u>\$ 536,379</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 45,187</u>	<u>\$ 39,240</u>	<u>\$ 38,282</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED JUNE 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 June 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	1.240
JMC		USD	149.782