

SCOTIA US EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2023

SCOTIA US EQUITY FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2023

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SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash and cash equivalents	\$ 229,787	\$ 285,357
Financial assets at fair value through profit or loss (Cost: \$49,389,677 (December 2022: \$52,084,278))	60,105,374	55,739,488
Subscriptions receivable	12,016	5,596
Dividends receivable	5,911	-
Receivable from Manager	<u>2,561</u>	<u>7</u>
Total assets	<u>60,355,649</u>	<u>56,030,448</u>
LIABILITIES		
Management fee payable	63,251	59,932
Accrued expenses	60,581	55,241
Tax withholding liability	1,773	-
Redemptions payable	<u>-</u>	<u>21,476</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>125,605</u>	<u>136,649</u>
Management shares	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>60,229,044</u>	\$ <u>55,892,799</u>
Net asset value per redeemable participating share		
Class A \$46,891,407/2,097,699 shares (December 2022: \$42,972,167/2,186,252 shares)	\$ <u>22.35</u>	\$ <u>19.66</u>
Class NU \$526,257/23,931 shares (December 2022: \$464,850/23,931 shares)	\$ <u>21.99</u>	\$ <u>19.42</u>
Class IU \$12,809,007/483,238 shares (December 2022: \$12,454,910/542,906 shares)	\$ <u>26.51</u>	\$ <u>22.94</u>
Class AC CDN3,133/105 shares (December 2022: CDN000/000 shares)	CDN <u>29.84</u>	CDN <u>-</u>
Class IJ JMC000/000 shares (December 2022: JMC132,354/558 shares)	JMC <u>-</u>	JMC <u>237.19</u>

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

Farried Sulliman
Farried Sulliman
Director

Sarah Hobbs
Sarah Hobbs
Director

Date : February 7, 2024

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	<u>For the three month periods ended</u>		<u>Year ended</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Income				
Dividend income	\$ 282,725	\$ 307,469	\$ 1,052,196	\$ 1,103,936
Other Income	-	(256)	-	1,041
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	145,892	7,354	699,532	137,963
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>5,480,702</u>	<u>5,505,770</u>	<u>7,060,527</u>	<u>(9,427,610)</u>
Total net income (loss)	<u>5,909,319</u>	<u>5,820,337</u>	<u>8,812,255</u>	<u>(8,184,670)</u>
Expenses				
Management fees	180,855	173,795	710,558	731,243
Custodian and administration fees	20,750	14,568	75,319	73,734
Other expenses	18,415	17,892	71,695	82,291
Professional fees	<u>16,922</u>	<u>6,719</u>	<u>37,196</u>	<u>17,448</u>
Total operating expenses	<u>236,942</u>	<u>212,974</u>	<u>894,768</u>	<u>904,716</u>
Less: expenses reimbursed	<u>(2,561)</u>	<u>-</u>	<u>(2,561)</u>	<u>(1,088)</u>
Net operating expenses	<u>234,381</u>	<u>212,974</u>	<u>892,207</u>	<u>903,628</u>
Operating gain (loss)	<u>5,674,938</u>	<u>5,607,363</u>	<u>7,920,048</u>	<u>(9,088,298)</u>
Withholding taxes on dividend income	<u>(84,818)</u>	<u>(92,241)</u>	<u>(315,659)</u>	<u>(331,181)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 5,590,120</u>	<u>\$ 5,515,122</u>	<u>\$ 7,604,389</u>	<u>\$ (9,419,479)</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Shareholders' Equity		
Share Capital	\$ 16,039	\$ 17,526
Share Premium	25,567,841	28,834,498
Retained Earnings	27,040,775	36,460,254
Increase (decrease) in net assets for the period	<u>7,604,389</u>	<u>(9,419,479)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 60,229,044</u>	<u>\$ 55,892,799</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash flows from operating activities		
Dividend received	\$ 732,399	\$ 772,755
Other income received	-	1,041
Operating expenses paid	(886,109)	(895,963)
Reimbursements received from Manager	7	1,081
Purchase of financial assets at fair value through profit or loss	(1,334,676)	(6,179,843)
Proceeds from sale of financial assets at fair value through profit or loss	<u>4,728,849</u>	<u>3,927,629</u>
Net cash provided by (used in) operating activities	<u>3,240,470</u>	<u>(2,373,300)</u>
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	3,901,591	8,934,668
Payments for redemptions of redeemable participating shares	<u>(7,197,631)</u>	<u>(7,297,450)</u>
Net cash (used in) provided by financing activities	<u>(3,296,040)</u>	<u>1,637,218</u>
Net change in cash and cash equivalents	(55,570)	(736,082)
Cash and cash equivalents at beginning of period	<u>285,357</u>	<u>1,021,439</u>
Cash and cash equivalents at end of period	<u>\$ 229,787</u>	<u>\$ 285,357</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 313,886</u>	<u>\$ 331,181</u>

SCOTIA US EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2023

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 period ended December 31, 2023, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN		USD	1.320
JMC		USD	154.410