

**SCOTIA US EQUITY FUND**  
*(formerly Scotiabank US Growth Fund)*

**UNAUDITED FINANCIAL STATEMENTS**

**QUARTER ENDED JUNE 30, 2020**

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*(formerly Scotiabank US Growth Fund)*

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**SCOTIA US EQUITY FUND**  
(formerly Scotiabank US Growth Fund)

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

**AS OF JUNE 30, 2020**

**(expressed in United States dollars)**

	<u>30-Jun-20</u>	<u>31-Mar-20</u>	<u>30-Jun-19</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 122,759	\$ 488,145	\$ 1,953,400
Financial assets at fair value through profit or loss (Cost: \$39,656,881 (March 2020: \$40,053,572; June 2019: \$31,326,666))	37,452,109	32,925,837	41,027,730
Subscriptions receivable	23,606	7,346	9,846
Dividends receivable	-	-	10,521
	<hr/>	<hr/>	<hr/>
Total assets	37,598,474	33,421,328	43,001,497
<b>LIABILITIES</b>			
Management fee payable	40,708	39,712	50,710
Accrued expenses	27,714	34,836	17,813
Tax withholding liability	-	-	2,117
Redemptions payable	-	-	788
	<hr/>	<hr/>	<hr/>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	68,422	74,548	71,428
	<hr/>	<hr/>	<hr/>
Management shares	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>\$ 37,529,052</b>	<b>\$ 33,345,780</b>	<b>\$ 42,929,069</b>
Net asset value per redeemable participating share			
Class A			
\$30,528,925/1,858,219 shares (March 2020: \$27,260,869/1,903,052 shares; June 2019: \$34,353,508/2,061,525 shares)	\$ 16.43	\$ 14.32	\$ 16.66
	<hr/>	<hr/>	<hr/>
Class NU			
\$368,986/22,472 shares (March 2020: \$322,088/22,472 shares; June 2019: \$431,078/25,766 shares)	\$ 16.42	\$ 14.33	\$ 16.73
	<hr/>	<hr/>	<hr/>
Class IU			
\$6,630,444/359,777 shares (March 2020: \$5,758,726/359,777 shares; June 2019: \$7,749,880/421,433 shares)	\$ 18.43	\$ 16.01	\$ 18.39
	<hr/>	<hr/>	<hr/>
Class IJ			
JMC97,472/558 shares (March 2020: JMC554,302/558 shares; June 2019: JMC51,510,497/288,406 shares)	JMC 174.68	JMC 992.92	JMC 178.60
	<hr/>	<hr/>	<hr/>

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

Faried Sulliman  
Faried Sulliman  
Director

Carlos Escamilla  
Carlos Escamilla  
Director

Date : August 11, 2020

**SCOTIA US EQUITY FUND**  
*(formerly Scotiabank US Growth Fund)*

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

**QUARTER ENDED JUNE 30, 2020**

**(expressed in United States dollars)**

	<u>30-Jun-20</u>	<u>31-Mar-20</u>	<u>30-Jun-19</u>
<b>Income</b>			
Dividend income	\$ 192,547	\$ 215,323	\$ 151,207
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(30,322)	(54,978)	118,794
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>4,922,963</u>	<u>(8,639,939)</u>	<u>1,722,390</u>
Total net income (loss)	<u>5,085,188</u>	<u>(8,479,594)</u>	<u>1,992,391</u>
<b>Expenses</b>			
Management fees	117,692	132,258	151,738
Custodian and administration fees	17,241	17,169	17,030
Other expenses	17,092	17,153	17,286
Professional fees	<u>6,643</u>	<u>6,890</u>	<u>7,410</u>
Total operating expenses	<u>158,668</u>	<u>173,470</u>	<u>193,464</u>
Less: expenses reimbursed	<u>(567)</u>	<u>(789)</u>	<u>-</u>
Net operating expenses	<u>158,101</u>	<u>172,681</u>	<u>193,464</u>
<b>Operating gain (loss)</b>	<u>4,927,087</u>	<u>(8,652,275)</u>	<u>1,798,927</u>
Withholding taxes on dividend income	<u>(56,598)</u>	<u>(64,757)</u>	<u>(44,311)</u>
<b>Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares</b>	<u>\$ 4,870,489</u>	<u>\$ (8,717,032)</u>	<u>\$ 1,754,616</u>

**SCOTIA US EQUITY FUND**  
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**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**QUARTER ENDED JUNE 30, 2020**

**(expressed in United States dollars)**

	<b><u>30-Jun-20</u></b>	<b><u>31-Mar-20</u></b>	<b><u>30-Jun-19</u></b>
<b>Shareholders' Equity</b>			
Share Capital	\$ 12,400	\$ 12,849	\$ 17,961
Share Premium	16,590,099	17,276,867	21,514,295
Retained Earnings	16,056,064	24,773,096	19,642,197
Increase (decrease) in net assets for the quarter	<u>4,870,489</u>	<u>(8,717,032)</u>	<u>1,754,616</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 37,529,052</u>	<u>\$ 33,345,780</u>	<u>\$ 42,929,069</u>

**SCOTIA US EQUITY FUND**  
*(formerly Scotiabank US Growth Fund)*

**UNAUDITED STATEMENT OF CASH FLOWS**

**QUARTER ENDED JUNE 30, 2020**

**(expressed in United States dollars)**

	<b><u>30-Jun-20</u></b>	<b><u>31-Mar-20</u></b>	<b><u>30-Jun-19</u></b>
<b>Cash flows from operating activities</b>			
Dividend received	\$ 135,949	\$ 152,031	\$ 115,294
Operating expenses paid	(164,794)	(214,051)	(207,638)
Reimbursements received from manager	567	789	-
Purchase of financial assets at fair value through profit or loss	-	-	(1,221,485)
Proceeds from sale of financial assets at fair value through profit or loss	366,369	706,503	2,865,814
	<u>338,091</u>	<u>645,272</u>	<u>1,551,985</u>
Net cash provided by operating activities			
<b>Cash flows from financing activities</b>			
Proceeds from subscriptions of redeemable participating shares	305,295	1,892,908	500,047
Payments for redemptions of redeemable participating shares	(1,008,772)	(3,048,079)	(1,237,073)
	<u>(703,477)</u>	<u>(1,155,171)</u>	<u>(737,026)</u>
Net cash used in financing activities			
<b>Net change in cash and cash equivalents</b>	(365,386)	(509,899)	814,959
<b>Cash and cash equivalents at beginning of period</b>	488,145	998,044	1,138,441
<b>Cash and cash equivalents at end of period</b>	<u>\$ 122,759</u>	<u>\$ 488,145</u>	<u>\$ 1,953,400</u>
<b>Supplemental cash flow disclosures</b>			
Tax withheld	<u>\$ 56,598</u>	<u>\$ 65,384</u>	<u>\$ 46,593</u>

**SCOTIA US EQUITY FUND**  
*(formerly Scotiabank US Growth Fund)*

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**QUARTER ENDED JUNE 30, 2020**

**1. General**

Scotia US Equity Fund (formerly Scotiabank US Growth 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, 2<sup>nd</sup> 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 quarter ended June 30, 2020, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	139.853