

SCOTIA US EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2022

SCOTIA US EQUITY FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2022

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SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 285,357	\$ 1,021,439
Financial assets at fair value through profit or loss (Cost: \$52,084,278 (December 2021: \$49,694,101))	55,739,488	62,776,921
Subscriptions receivable	5,596	164,044
Receivable from Manager	<u>7</u>	<u>-</u>
Total assets	<u>56,030,448</u>	<u>63,962,404</u>
LIABILITIES		
Management fee payable	59,932	63,939
Accrued expenses	55,241	42,481
Redemptions payable	<u>21,476</u>	<u>3,762</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>136,649</u>	<u>110,182</u>
Management shares	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 55,892,799</u>	<u>\$ 63,851,222</u>
Net asset value per redeemable participating share		
Class A \$42,972,167/2,186,252 shares (December 2021: \$48,114,443/2,099,370 shares)	<u>\$ 19.66</u>	<u>\$ 22.92</u>
Class NU \$464,850/23,931 shares (December 2021: \$479,082/21,057 shares)	<u>\$ 19.42</u>	<u>\$ 22.75</u>
Class IU \$12,454,910/542,906 shares (December 2021: \$15,256,698/579,485 shares)	<u>\$ 22.94</u>	<u>\$ 26.33</u>
Class IJ JMC132,354/558 shares (December 2021: JMC153,922/558 shares)	<u>JMC 237.19</u>	<u>JMC 275.85</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 9, 2023

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	For the three month periods ended		Year ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Income				
Dividend income	\$ 307,469	\$ 273,064	\$ 1,103,936	\$ 840,944
Other Income	(256)	-	1,041	952
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	7,354	-	137,963	1,366,080
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	5,505,770	5,162,419	(9,427,610)	7,913,629
Total net income (loss)	<u>5,820,337</u>	<u>5,435,483</u>	<u>(8,184,670)</u>	<u>10,121,605</u>
Expenses				
Management fees	173,795	184,064	731,243	658,509
Other expenses	17,892	18,261	82,291	72,652
Custodian and administration fees	14,568	17,126	73,734	67,906
Professional fees	6,719	6,231	17,448	25,021
Total operating expenses	<u>212,974</u>	<u>225,682</u>	<u>904,716</u>	<u>824,088</u>
Less: expenses reimbursed	<u>-</u>	<u>-</u>	<u>(1,088)</u>	<u>-</u>
Net operating expenses	<u>212,974</u>	<u>225,682</u>	<u>903,628</u>	<u>824,088</u>
Operating gain (loss)	<u>5,607,363</u>	<u>5,209,801</u>	<u>(9,088,298)</u>	<u>9,297,517</u>
Withholding taxes on dividend income	<u>(92,241)</u>	<u>(81,633)</u>	<u>(331,181)</u>	<u>(252,283)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 5,515,122</u>	<u>\$ 5,128,168</u>	<u>\$ (9,419,479)</u>	<u>\$ 9,045,234</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shareholders' Equity		
Share Capital	\$ 17,526	\$ 16,995
Share Premium	28,834,498	27,373,973
Retained Earnings	36,460,254	27,415,020
(Decrease) increase in net assets for the period	<u>(9,419,479)</u>	<u>9,045,234</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 55,892,799</u>	<u>\$ 63,851,222</u>

SCOTIA US EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash flows from operating activities		
Dividend received	\$ 772,755	\$ 588,661
Other income received	1,041	952
Operating expenses paid	(895,963)	(798,935)
Reimbursements received from manager	1,081	-
Purchase of financial assets at fair value through profit or loss	(6,179,843)	(22,110,130)
Proceeds from sale of financial assets at fair value through profit or loss	<u>3,927,629</u>	<u>10,913,952</u>
Net cash used in operating activities	<u>(2,373,300)</u>	<u>(11,405,500)</u>
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	8,934,668	16,244,086
Payments for redemptions of redeemable participating shares	<u>(7,297,450)</u>	<u>(4,436,354)</u>
Net cash provided by financing activities	<u>1,637,218</u>	<u>11,807,732</u>
Net change in cash and cash equivalents	(736,082)	402,232
Cash and cash equivalents at beginning of period	<u>1,021,439</u>	<u>619,207</u>
Cash and cash equivalents at end of period	<u>\$ 285,357</u>	<u>\$ 1,021,439</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 331,181</u>	<u>\$ 252,283</u>

SCOTIA US EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2022

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, 2022, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC	USD	151.700