

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2020

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

INDEX TO UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2020

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SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian 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>
ASSETS			
Cash and cash equivalents	\$ 536,379	\$ 429,542	\$ 580,585
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$21,718,081 (March 2020: \$22,241,557; June 2019: \$27,443,494))	22,539,186	19,579,398	28,736,237
Derivatives	-	561,674	5,694
Dividends receivable	49,489	49,408	60,024
Receivable from Manager	47,647	22,077	33,214
Subscriptions receivable	3,684	1,684	4,021
Receivable for investments sold	-	461,402	-
	<hr/>	<hr/>	<hr/>
Total assets	23,176,385	21,105,185	29,419,775
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	241,795	8,322	317,393
Management fee payable	38,334	36,494	47,998
Accrued expenses	20,404	26,261	17,653
Tax withholding liability	12,810	12,795	15,135
Payable for investments purchased	-	481,310	-
Redemptions payable	-	-	9,431
	<hr/>	<hr/>	<hr/>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	313,343	565,182	407,610
	<hr/>	<hr/>	<hr/>
Management shares	768	768	768
	<hr/>	<hr/>	<hr/>
Net assets attributable to holders of redeemable participating shares	\$ 22,862,274	\$ 20,539,235	\$ 29,011,397
	<hr/>	<hr/>	<hr/>
Net asset value per redeemable participating share			
Class A			
\$20,156,351/7,977,072 shares (March 2020: \$18,106,908/8,054,767 shares; June 2019: \$25,855,904/9,591,487 shares)	\$ 2.53	\$ 2.25	\$ 2.70
	<hr/>	<hr/>	<hr/>
Class NU			
\$660,952/260,818 shares (March 2020: \$612,490/271,335 shares; June 2019: \$895,673/329,635 shares)	\$ 2.53	\$ 2.26	\$ 2.72
	<hr/>	<hr/>	<hr/>
Class IU			
\$871/357 shares (March 2020: \$771/357 shares; June 2019: \$911/357 shares)	\$ 2.44	\$ 2.16	\$ 2.55
	<hr/>	<hr/>	<hr/>
Class AC			
CDN1,949,002/497,208 shares (March 2020: CDN1,797,977/497,148 shares; June 2019: CDN2,091,296/520,112 shares)	CDN 3.92	CDN 3.62	CDN 4.02
	<hr/>	<hr/>	<hr/>
Class NC			
CDN832,213/233,693 shares (March 2020: CDN768,770/233,693 shares; June 2019: CDN863,900/235,318 shares)	CDN 3.56	CDN 3.29	CDN 3.67
	<hr/>	<hr/>	<hr/>
Class IC			
CDN1,319/320 shares (March 2020: CDN1,212/320 shares; June 2019: CDN1,328/320 shares)	CDN 4.12	CDN 3.79	CDN 4.15
	<hr/>	<hr/>	<hr/>
Class IJ			
JMC62,738/558 shares (March 2020: JMC53,729/558 shares; June 2019: JMC61,122/558 shares)	JMC 112.43	JMC 96.25	JMC 109.49
	<hr/>	<hr/>	<hr/>

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

Farried Sulliman
Farried Sulliman
Director

Carlos Escamilla
Carlos Escamilla
Director

Date: August 11, 2020

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian 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>
Income			
Dividend income	\$ 157,223	\$ 175,072	\$ 214,996
Interest income	-	147	246
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(131,292)	(839,557)	(154,250)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	<u>2,688,093</u>	<u>(4,632,229)</u>	<u>881,425</u>
Total net income (loss)	<u>2,714,024</u>	<u>(5,296,567)</u>	<u>942,417</u>
Expenses			
Management fees	111,619	125,329	147,531
Custodian and administration fees	23,581	22,978	21,780
Other expenses	20,580	20,537	20,441
Professional fees	<u>6,643</u>	<u>6,896</u>	<u>7,410</u>
Total operating expenses	162,423	175,740	197,162
Less: expenses reimbursed	<u>(25,571)</u>	<u>(22,076)</u>	<u>(16,509)</u>
Net operating expenses	<u>136,852</u>	<u>153,664</u>	<u>180,653</u>
Operating profit (loss)	2,577,172	(5,450,231)	761,764
Withholding taxes on dividend income	<u>(38,297)</u>	<u>(44,579)</u>	<u>(52,035)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 2,538,875</u>	<u>\$ (5,494,810)</u>	<u>\$ 709,729</u>

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

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>
Shareholders' Equity			
Share Capital	\$ 84,026	\$ 84,907	\$ 101,103
Share Premium	22,736,174	22,951,129	27,310,535
Retained Earnings	(2,496,801)	2,998,009	890,030
Increase (decrease) in net assets for the quarter	<u>2,538,875</u>	<u>(5,494,810)</u>	<u>709,729</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 22,862,274</u>	<u>\$ 20,539,235</u>	<u>\$ 29,011,397</u>

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED STATEMENT OF CASH FLOWS

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>
Cash flows from operating activities			
Dividend received	\$ 118,860	\$ 133,266	\$ 172,315
Interest income received	-	147	246
Operating expenses paid	(166,440)	(230,640)	(214,618)
Reimbursements received from Manager	1	19,048	-
Purchase of financial assets at fair value through profit or loss	(1,771,696)	(1,555,248)	(1,645,607)
Proceeds from sale of financial assets at fair value through profit or loss	2,143,972	2,054,625	2,334,780
Net change in unrealized (loss) gain on foreign currencies	(795,171)	826,331	(311,422)
Net change in unrealized appreciation (depreciation) on derivatives	<u>795,147</u>	<u>(826,001)</u>	<u>311,699</u>
Net cash provided by operating activities	<u>324,673</u>	<u>421,528</u>	<u>647,393</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	98,816	280,511	251,031
Payments for redemptions of redeemable participating shares	<u>(316,652)</u>	<u>(737,224)</u>	<u>(1,078,203)</u>
Net cash used in financing activities	<u>(217,836)</u>	<u>(456,713)</u>	<u>(827,172)</u>
Net change in cash and cash equivalents	106,837	(35,185)	(179,779)
Cash and cash equivalents at beginning of period	<u>429,542</u>	<u>464,727</u>	<u>760,364</u>
Cash and cash equivalents at end of period	<u>\$ 536,379</u>	<u>\$ 429,542</u>	<u>\$ 580,585</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 38,282</u>	<u>\$ 45,090</u>	<u>\$ 55,424</u>

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2020

1. General

Scotia Canadian Equity Fund (formerly Scotiabank Canadian Growth 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, 2020, the current rates of exchange are:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN		USD	1.362
JMC		USD	139.853