

SCOTIA CANADIAN EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED JUNE 30, 2022

SCOTIA CANADIAN EQUITY FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED JUNE 30, 2022

CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) 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

(expressed in United States dollars)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 705,904	\$ 1,685,749
Financial assets at fair value through profit or loss:		
Equity securities: (Cost: \$28,782,302 (December 2021: \$23,880,243))	34,721,391	33,814,495
Derivatives	205,581	181,990
Dividends receivable	85,861	67,853
Receivable from Manager	16,892	15,099
Subscriptions receivable	15,944	11,976
	<u>35,751,573</u>	<u>35,777,162</u>
LIABILITIES		
Financial liabilities at fair value through profit or loss:		
Derivatives	78,345	52,108
Accrued expenses	62,745	57,255
Management fee payable	60,470	56,814
Tax withholding liability	22,011	17,323
Redemptions payable	803	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>224,374</u>	<u>183,500</u>
Management shares	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,526,431</u>	<u>\$ 35,592,894</u>
Net asset value per redeemable participating share		
Class A		
\$27,924,538/8,546,850 shares (December 2021: \$31,122,503/8,623,560 shares)	<u>\$ 3.27</u>	<u>\$ 3.61</u>
Class NU		
\$699,834/215,744 shares (December 2021: \$803,465/223,663 shares)	<u>\$ 3.24</u>	<u>\$ 3.59</u>
Class IU		
\$1,169/357 shares (December 2021: \$1,277/357 shares)	<u>\$ 3.27</u>	<u>\$ 3.58</u>
Class AC		
CDN7,875,722/1,644,182 shares (December 2021: CDN3,542,671/680,780 shares)	<u>CDN 4.79</u>	<u>CDN 5.20</u>
Class NC		
CDN1,007,104/233,693 shares (December 2021: CDN1,096,574/233,693 shares)	<u>CDN 4.31</u>	<u>CDN 4.69</u>

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

Farried Sulliman
Farried Sulliman
Director

Sarah Hobbs
Sarah Hobbs
Director

Date: August 11, 2022

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

(expressed in United States dollars)

	<u>For the three month periods ended</u>		<u>For the six month periods ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Income				
Dividend income	\$ 213,645	\$ 177,637	\$ 452,819	\$ 358,000
Other income	1,190	-	1,262	146
Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	188,036	(104,069)	473,151	83,153
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>(4,931,514)</u>	<u>2,128,485</u>	<u>(3,999,158)</u>	<u>4,151,755</u>
Total net (loss) income	<u>(4,528,643)</u>	<u>2,202,053</u>	<u>(3,071,926)</u>	<u>4,593,054</u>
Expenses				
Management fees	186,329	150,587	366,717	284,506
Other expenses	22,284	21,343	51,500	42,729
Custodian and administration fees	22,751	24,733	47,219	49,061
Professional fees	<u>6,163</u>	<u>6,164</u>	<u>12,259</u>	<u>12,570</u>
Total operating expenses	237,527	202,827	477,695	388,866
Less: expenses reimbursed	<u>(6,041)</u>	<u>(18,198)</u>	<u>(16,893)</u>	<u>(40,060)</u>
Net operating expenses	<u>231,486</u>	<u>184,629</u>	<u>460,802</u>	<u>348,806</u>
Operating (loss) profit	(4,760,129)	2,017,424	(3,532,728)	4,244,248
Withholding taxes on dividend income	<u>(53,010)</u>	<u>(41,148)</u>	<u>(112,408)</u>	<u>(85,333)</u>
(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (4,813,139)</u>	<u>\$ 1,976,276</u>	<u>\$ (3,645,136)</u>	<u>\$ 4,158,915</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	<u>For the six month periods ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Shareholders' Equity		
Share Capital	\$ 100,733	\$ 83,957
Share Premium	29,380,151	22,929,218
Retained Earnings	9,690,683	3,710,469
(Decrease) increase in net assets for the period	<u>(3,645,136)</u>	<u>4,158,915</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,526,431</u>	<u>\$ 30,882,559</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	<u>For the six month periods ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash flows from operating activities		
Dividend received	\$ 327,091	\$ 259,821
Other income received	1,262	146
Operating expenses paid	(468,549)	(383,653)
Reimbursements received from Manager	15,100	3,852
Purchase of financial assets at fair value through profit or loss	(5,173,655)	(1,615,796)
Proceeds from sale of financial assets at fair value through profit or loss	744,747	1,381,804
Net change in unrealized (gain) loss on foreign currencies	(3,995)	191,316
Net change in unrealized depreciation (appreciation) on derivatives	2,646	(194,729)
	<u>(4,555,353)</u>	<u>(357,239)</u>
Net cash used in operating activities		
	<u>(4,555,353)</u>	<u>(357,239)</u>
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	6,123,678	1,778,035
Payments for redemptions of redeemable participating shares	(2,548,170)	(1,175,194)
	<u>3,575,508</u>	<u>602,841</u>
Net cash provided by financing activities		
	<u>3,575,508</u>	<u>602,841</u>
Net change in cash and cash equivalents	(979,845)	245,602
Cash and cash equivalents at beginning of period	<u>1,685,749</u>	<u>352,143</u>
Cash and cash equivalents at end of period	<u>\$ 705,904</u>	<u>\$ 597,745</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 107,720</u>	<u>\$ 84,427</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2022

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 equivalent using the then current rate of exchange. For the period ended June 30, 2022, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
	CDN	USD	1.287