

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2020

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(formerly Scotiabank Canadian Growth Fund)

INDEX TO UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2020

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SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2020

(expressed in United States dollars)

	<u>30-Sep-20</u>	<u>30-Jun-20</u>	<u>30-Sep-19</u>
ASSETS			
Cash and cash equivalents	\$ 303,039	\$ 536,379	\$ 175,928
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$21,388,001 (June 2020: \$21,718,081; September 2019: \$26,514,392))	23,606,126	22,539,186	28,401,088
Derivatives	55,199	-	74,544
Receivable from Manager	83,857	47,647	50,280
Dividends receivable	56,641	49,489	58,503
Subscriptions receivable	<u>11,296</u>	<u>3,684</u>	<u>2,879</u>
 Total assets	 <u>24,116,158</u>	 <u>23,176,385</u>	 <u>28,763,222</u>
 LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	-	241,795	36,544
Management fee payable	40,142	38,334	47,762
Accrued expenses	30,808	20,404	52,741
Tax withholding liability	<u>14,587</u>	<u>12,810</u>	<u>14,794</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>85,537</u>	<u>313,343</u>	<u>151,841</u>
 Management shares	 <u>768</u>	 <u>768</u>	 <u>768</u>
 Net assets attributable to holders of redeemable participating shares	 <u>\$ 24,029,853</u>	 <u>\$ 22,862,274</u>	 <u>\$ 28,610,613</u>
Net asset value per redeemable participating share			
Class A			
\$21,145,599/7,870,478 shares (June 2020: \$20,156,351/7,977,072 shares; September 2019: \$25,427,908/9,298,012 shares)	<u>\$ 2.69</u>	<u>\$ 2.53</u>	<u>\$ 2.73</u>
Class NU			
\$701,900/260,818 shares (June 2020: \$660,952/260,818 shares; September 2019: \$850,311/308,861 shares)	<u>\$ 2.69</u>	<u>\$ 2.53</u>	<u>\$ 2.75</u>
Class IU			
\$930/357 shares (June 2020: \$871/357 shares; September 2019: \$929/357 shares)	<u>\$ 2.60</u>	<u>\$ 2.44</u>	<u>\$ 2.60</u>
Class AC			
CDN2,039,664/500,073 shares (June 2020: CDN1,949,002/497,208 shares; September 2019: CDN2,200,164/533,163 shares)	<u>CDN 4.08</u>	<u>CDN 3.92</u>	<u>CDN 4.13</u>
Class NC			
CDN864,849/233,693 shares (June 2020: CDN832,213/233,693 shares; September 2019: CDN885,509/235,318 shares)	<u>CDN 3.70</u>	<u>CDN 3.56</u>	<u>CDN 3.76</u>
Class IC			
CDN1,378/320 shares (June 2020: CDN1,319/320 shares; September 2019: CDN1,371/320 shares)	<u>CDN 4.31</u>	<u>CDN 4.12</u>	<u>CDN 4.28</u>
Class IJ			
JMC67,936/558 shares (June 2020: JMC62,738/558 shares; September 2019: JMC64,225/558 shares)	<u>JMC 121.75</u>	<u>JMC 112.43</u>	<u>JMC 115.05</u>

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: November 9, 2020

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED SEPTEMBER 30, 2020

(expressed in United States dollars)

	<u>30-Sep-20</u>	<u>30-Jun-20</u>	<u>30-Sep-19</u>
Income			
Dividend income	\$ 164,667	\$ 157,223	\$ 218,147
Other income	17,288	-	-
Interest income	-	-	32
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(242,382)	(131,292)	(515,291)
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>1,693,045</u>	<u>2,688,093</u>	<u>941,800</u>
Total net income	<u>1,632,618</u>	<u>2,714,024</u>	<u>644,688</u>
Expenses			
Management fees	122,612	111,619	146,443
Custodian and administration fees	36,258	23,581	22,017
Other expenses	20,961	20,580	20,669
Professional fees	<u>6,716</u>	<u>6,643</u>	<u>7,491</u>
Total operating expenses	186,547	162,423	196,620
Less: expenses reimbursed	<u>(36,213)</u>	<u>(25,571)</u>	<u>(17,066)</u>
Net operating expenses	<u>150,334</u>	<u>136,852</u>	<u>179,554</u>
Operating profit	1,482,284	2,577,172	465,134
Withholding taxes on dividend income	<u>(40,298)</u>	<u>(38,297)</u>	<u>(52,864)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,441,986</u>	<u>\$ 2,538,875</u>	<u>\$ 412,270</u>

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED SEPTEMBER 30, 2020

(expressed in United States dollars)

	<u>30-Sep-20</u>	<u>30-Jun-20</u>	<u>30-Sep-19</u>
Shareholders' Equity			
Share Capital	\$ 82,988	\$ 84,026	\$ 98,091
Share Premium	22,462,805	22,736,174	26,500,493
Retained Earnings	42,074	(2,496,801)	1,599,759
Increase in net assets for the quarter	<u>1,441,986</u>	<u>2,538,875</u>	<u>412,270</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 24,029,853</u>	<u>\$ 22,862,274</u>	<u>\$ 28,610,613</u>

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED SEPTEMBER 30, 2020

(expressed in United States dollars)

	<u>30-Sep-20</u>	<u>30-Jun-20</u>	<u>30-Sep-19</u>
Cash flows from operating activities			
Dividend received	\$ 118,994	\$ 118,860	\$ 166,463
Other income received	17,288	-	-
Interest income received	-	-	32
Operating expenses paid	(174,335)	(166,440)	(161,768)
Reimbursements received from Manager	3	1	-
Purchase of financial assets at fair value through profit or loss	(216,809)	(1,771,696)	(684,353)
Proceeds from sale of financial assets at fair value through profit or loss	304,507	2,143,972	1,098,164
Net change in unrealized gain (loss) on foreign currencies	296,025	(795,171)	347,847
Net change in unrealized depreciation (appreciation) on derivatives	<u>(296,994)</u>	<u>795,147</u>	<u>(349,699)</u>
Net cash provided by operating activities	<u>48,679</u>	<u>324,673</u>	<u>416,686</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	143,528	98,816	314,540
Payments for redemptions of redeemable participating shares	<u>(425,547)</u>	<u>(316,652)</u>	<u>(1,135,883)</u>
Net cash used in financing activities	<u>(282,019)</u>	<u>(217,836)</u>	<u>(821,343)</u>
Net change in cash and cash equivalents	<u>(233,340)</u>	<u>106,837</u>	<u>(404,657)</u>
Cash and cash equivalents at beginning of period	<u>536,379</u>	<u>429,542</u>	<u>580,585</u>
Cash and cash equivalents at end of period	<u>\$ 303,039</u>	<u>\$ 536,379</u>	<u>\$ 175,928</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 38,521</u>	<u>\$ 38,282</u>	<u>\$ 53,205</u>

SCOTIA CANADIAN EQUITY FUND
(formerly Scotiabank Canadian Growth Fund)

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 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 September 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	1.333
JMC		USD	141.674