

**SCOTIA CANADIAN EQUITY FUND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**PERIOD ENDED DECEMBER 31, 2023**

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**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

**(expressed in United States dollars)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 34,438	\$ 764,191
Financial assets at fair value through profit or loss:		
Equity securities: (Cost: \$28,998,855 (December 2022: \$28,819,605))	37,381,468	33,695,312
Derivatives	-	95,294
Dividends receivable	114,796	100,839
Receivable from Manager	9,197	7,761
Subscriptions receivable	<u>926</u>	<u>130,073</u>
 Total assets	 <u>37,540,825</u>	 <u>34,793,470</u>
<b>LIABILITIES</b>		
Financial liabilities at fair value through profit or loss:		
Derivatives	456,783	100,994
Accrued expenses	62,997	60,751
Management fee payable	62,273	60,180
Tax withholding liability	28,784	25,740
Redemptions payable	<u>20,695</u>	<u>80</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>631,532</u>	<u>247,745</u>
 Management shares	 <u>768</u>	 <u>768</u>
 <b>Net assets attributable to holders of redeemable participating shares</b>	 <b>\$ <u>36,908,525</u></b>	 <b>\$ <u>34,544,957</u></b>
Net asset value per redeemable participating share		
Class A		
\$28,880,520/7,849,298 shares (December 2022: \$26,786,658/8,151,936 shares)	\$ <u>3.68</u>	\$ <u>3.29</u>
Class NU		
\$752,014/207,413 shares (December 2022: \$692,239/212,722 shares)	\$ <u>3.63</u>	\$ <u>3.25</u>
Class IU		
\$1,360/357 shares (December 2022: \$1,188/357 shares)	\$ <u>3.81</u>	\$ <u>3.33</u>
Class AC		
CDN8,451,045/1,527,225 shares (December 2022: CDN8,498,993/1,677,968 shares)	CDN <u>5.53</u>	CDN <u>5.07</u>
Class NC		
CDN1,154,741/233,693 shares (December 2022: CDN1,062,251/233,693 shares)	CDN <u>4.94</u>	CDN <u>4.55</u>

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

Faried Sulliman  
Faried Sulliman  
Director

Sarah Hobbs  
Sarah Hobbs  
Director

Date: February 7, 2024

**SCOTIA CANADIAN EQUITY FUND**

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

**(expressed in United States dollars)**

	For the three month periods ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Income</b>				
Dividend income	\$ 242,795	\$ 221,207	\$ 947,358	\$ 895,303
Interest income	(128)	(264)	18	-
Other income	-	(341)	-	625
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	501,802	1,080,268	1,166,520	1,937,697
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	2,337,718	603,378	3,055,242	(5,195,749)
<b>Total net income (loss)</b>	<b>3,082,187</b>	<b>1,904,248</b>	<b>5,169,138</b>	<b>(2,362,124)</b>
<b>Expenses</b>				
Management fees	178,329	175,017	720,143	726,872
Custodian and administration fees	22,188	19,036	91,941	96,843
Other expenses	13,524	18,603	65,673	79,108
Professional fees	13,966	6,709	34,234	17,185
<b>Total operating expenses</b>	<b>228,007</b>	<b>219,365</b>	<b>911,991</b>	<b>920,008</b>
Less: expenses reimbursed	(9,197)	(7,760)	(28,667)	(30,539)
<b>Net operating expenses</b>	<b>218,810</b>	<b>211,605</b>	<b>883,324</b>	<b>889,469</b>
<b>Operating profit (loss)</b>	<b>2,863,377</b>	<b>1,692,643</b>	<b>4,285,814</b>	<b>(3,251,593)</b>
Withholding taxes on dividend income	(61,351)	(54,629)	(234,634)	(222,270)
<b>Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares</b>	<b>\$ 2,802,026</b>	<b>\$ 1,638,014</b>	<b>\$ 4,051,180</b>	<b>\$ (3,473,863)</b>

**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**(expressed in United States dollars)**

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>Shareholders' Equity</b>		
Share Capital	\$ 92,505	\$ 97,092
Share Premium	26,548,020	28,231,045
Retained Earnings	6,216,820	9,690,683
Increase (decrease) in net assets for the period	<u>4,051,180</u>	<u>(3,473,863)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 36,908,525</u>	<u>\$ 34,544,957</u>

**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED STATEMENT OF CASH FLOWS**

**(expressed in United States dollars)**

	<b>Year ended</b>	
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Cash flows from operating activities</b>		
Dividend received	\$ 701,811	\$ 648,464
Interest received	18	-
Other income received	-	625
Operating expenses paid	(907,652)	(913,146)
Reimbursements received from Manager	27,231	37,877
Purchase of financial assets at fair value through profit or loss	(7,851,966)	(8,881,726)
Proceeds from sale of financial assets at fair value through profit or loss	8,388,076	5,744,711
Net change in unrealized loss on foreign currencies	(504)	(1,854)
Net change in unrealized depreciation on derivatives	451,083	135,582
	<u>808,097</u>	<u>(3,229,467)</u>
Net cash provided by (used in) operating activities		
<b>Cash flows from financing activities</b>		
Proceeds from subscriptions of redeemable participating shares	1,045,986	7,780,541
Payments for redemptions of redeemable participating shares	(2,583,836)	(5,472,632)
	<u>(1,537,850)</u>	<u>2,307,909</u>
Net cash (used in) provided by financing activities		
<b>Net change in cash and cash equivalents</b>	(729,753)	(921,558)
<b>Cash and cash equivalents at beginning of period</b>	764,191	1,685,749
<b>Cash and cash equivalents at end of period</b>	<u>\$ 34,438</u>	<u>\$ 764,191</u>
<b>Supplemental cash flow disclosures</b>		
Tax withheld	<u>\$ 231,590</u>	<u>\$ 213,853</u>

**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**PERIOD ENDED DECEMBER 31, 2023**

**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, 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 USD Net Asset Value per Share to the CDN equivalent using the then current rate of exchange. For the period ended December 31, 2023, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN	USD	1.320