

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
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SCOTIA CANADIAN EQUITY FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
(expressed in United States dollars)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash and cash equivalents	\$ 78,710	\$ 764,191
Financial assets at fair value through profit or loss:		
Equity securities: (Cost: \$29,348,406 (December 2022: \$28,819,605))	35,698,250	33,695,312
Derivatives	125,841	95,294
Dividends receivable	109,067	100,839
Receivable from Manager	14,087	7,761
Subscriptions receivable	<u>944</u>	<u>130,073</u>
 Total assets	 <u>36,026,899</u>	 <u>34,793,470</u>
 LIABILITIES		
Financial liabilities at fair value through profit or loss:		
Derivatives	65,282	100,994
Management fee payable	60,072	60,180
Payable for investments purchased	59,525	-
Accrued expenses	33,577	60,751
Tax withholding liability	27,706	25,740
Redemptions payable	<u>80</u>	<u>80</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>246,242</u>	<u>247,745</u>
 Management shares	 <u>768</u>	 <u>768</u>
 Net assets attributable to holders of redeemable participating shares	 <u>\$ 35,779,889</u>	 <u>\$ 34,544,957</u>
Net asset value per redeemable participating share		
Class A \$27,733,062/8,083,399 shares (December 2022: \$26,786,658/8,151,936 shares)	<u>\$ 3.43</u>	<u>\$ 3.29</u>
Class NU \$721,883/212,722 shares (December 2022: \$692,239/212,722 shares)	<u>\$ 3.39</u>	<u>\$ 3.25</u>
Class IU \$1,248/357 shares (December 2022: \$1,188/357 shares)	<u>\$ 3.50</u>	<u>\$ 3.33</u>
Class AC CDN8,799,881/1,664,721 shares (December 2022: CDN8,498,993/1,677,968 shares)	<u>CDN 5.29</u>	<u>CDN 5.07</u>
Class NC CDN1,107,249/233,693 shares (December 2022: CDN1,062,251/233,693 shares)	<u>CDN 4.74</u>	<u>CDN 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: May 12, 2023

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

(expressed in United States dollars)

	For the three month periods ended	
	March 31, 2023	March 31, 2022
Income		
Dividend income	\$ 231,597	\$ 239,174
Interest income	390	-
Other income	-	72
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	24,982	285,115
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	1,539,689	932,356
Total net income	<u>1,796,658</u>	<u>1,456,717</u>
Expenses		
Management fees	177,230	180,388
Custodian and administration fees	21,440	24,468
Other expenses	18,466	29,216
Professional fees	6,564	6,096
Total operating expenses	223,700	240,168
Less: expenses reimbursed	<u>(6,326)</u>	<u>(10,852)</u>
Net operating expenses	217,374	229,316
Operating profit	1,579,284	1,227,401
Withholding taxes on dividend income	<u>(57,250)</u>	<u>(59,398)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,522,034</u>	<u>\$ 1,168,003</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the three month periods ended	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Shareholders' Equity		
Share Capital	\$ 96,274	\$ 95,038
Share Premium	27,944,761	27,160,772
Retained Earnings	6,216,820	9,690,683
Increase in net assets for the period	<u>1,522,034</u>	<u>1,168,003</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,779,889</u>	<u>\$ 38,114,496</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	For the three month periods ended	
	March 31, 2023	March 31, 2022
Cash flows from operating activities		
Dividend received	\$ 168,085	\$ 141,580
Interest received	390	-
Other income received	-	72
Operating expenses paid	(250,982)	(249,704)
Reimbursements received from Manager	-	15,102
Purchase of financial assets at fair value through profit or loss	(2,790,506)	(2,685,432)
Proceeds from sale of financial assets at fair value through profit or loss	2,412,134	304,700
Net change in unrealized loss on foreign currencies	(370)	(443,269)
Net change in unrealized (depreciation) appreciation on derivatives	(66,259)	444,307
	<u>(527,508)</u>	<u>(2,472,644)</u>
Net cash used in operating activities		
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	311,771	3,361,555
Payments for redemptions of redeemable participating shares	(469,744)	(1,995,941)
	<u>(157,973)</u>	<u>1,365,614</u>
Net cash (used in) provided by financing activities		
Net change in cash and cash equivalents	(685,481)	(1,107,030)
Cash and cash equivalents at beginning of period	764,191	1,685,749
Cash and cash equivalents at end of period	<u>\$ 78,710</u>	<u>\$ 578,719</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 55,284</u>	<u>\$ 46,587</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED MARCH 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, 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 March 31, 2023, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
	CDN	USD	1.353