

**SCOTIA CANADIAN EQUITY FUND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**PERIOD ENDED JUNE 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 182,130	\$ 764,191
Financial assets at fair value through profit or loss:		
Equity securities: (Cost: \$28,880,241 (December 2022: \$28,819,605))	36,446,774	33,695,312
Derivatives	-	95,294
Dividends receivable	109,738	100,839
Receivable from Manager	14,067	7,761
Subscriptions receivable	1,064	130,073
	<hr/>	<hr/>
Total assets	36,753,773	34,793,470
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Financial liabilities at fair value through profit or loss:		
Derivatives	126,387	100,994
Management fee payable	59,434	60,180
Accrued expenses	41,000	60,751
Tax withholding liability	27,845	25,740
Redemptions payable	80	80
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<hr/>	<hr/>
	254,746	247,745
	<hr/>	<hr/>
Management shares	768	768
	<hr/>	<hr/>
<b>Net assets attributable to holders of redeemable participating shares</b>	<u>\$ 36,498,259</u>	<u>\$ 34,544,957</u>
Net asset value per redeemable participating share		
Class A \$28,624,028/8,017,053 shares (December 2022: \$26,786,658/8,151,936 shares)	<u>\$ 3.57</u>	<u>\$ 3.29</u>
Class NU \$750,300/212,722 shares (December 2022: \$692,239/212,722 shares)	<u>\$ 3.53</u>	<u>\$ 3.25</u>
Class IU \$1,306/357 shares (December 2022: \$1,188/357 shares)	<u>\$ 3.66</u>	<u>\$ 3.33</u>
Class AC CDN8,302,409/1,542,306 shares (December 2022: CDN8,498,993/1,677,968 shares)	<u>CDN 5.38</u>	<u>CDN 5.07</u>
Class NC CDN1,126,166/233,693 shares (December 2022: CDN1,062,251/233,693 shares)	<u>CDN 4.82</u>	<u>CDN 4.55</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, 2023

**SCOTIA CANADIAN EQUITY FUND**

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

**(expressed in United States dollars)**

	For the three month periods ended		For the six month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Income</b>				
Dividend income	\$ 234,118	\$ 213,645	\$ 465,715	\$ 452,819
Interest income	(244)	-	146	-
Other income	-	1,190	-	1,262
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	455,336	188,036	480,318	473,151
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	1,029,232	(4,931,514)	2,568,921	(3,999,158)
Total net income (loss)	1,718,442	(4,528,643)	3,515,100	(3,071,926)
<b>Expenses</b>				
Management fees	180,838	186,329	358,068	366,717
Custodian and administration fees	23,784	22,751	45,224	47,219
Other expenses	18,724	22,284	37,190	51,500
Professional fees	6,226	6,163	12,790	12,259
Total operating expenses	229,572	237,527	453,272	477,695
Less: expenses reimbursed	(7,741)	(6,041)	(14,067)	(16,893)
Net operating expenses	221,831	231,486	439,205	460,802
Operating profit (loss)	1,496,611	(4,760,129)	3,075,895	(3,532,728)
Withholding taxes on dividend income	(57,473)	(53,010)	(114,723)	(112,408)
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	\$ 1,439,138	\$ (4,813,139)	\$ 2,961,172	\$ (3,645,136)

**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**(expressed in United States dollars)**

	<b>For the six month periods ended</b>	
	<b><u>June 30, 2023</u></b>	<b><u>June 30, 2022</u></b>
<b>Shareholders' Equity</b>		
Share Capital	\$ 94,386	\$ 100,733
Share Premium	27,225,881	29,380,151
Retained Earnings	6,216,820	9,690,683
Increase (decrease) in net assets for the period	<u>2,961,172</u>	<u>(3,645,136)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 36,498,259</u>	<u>\$ 35,526,431</u>

**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED STATEMENT OF CASH FLOWS**

**(expressed in United States dollars)**

	<b><u>For the six month periods ended</u></b>	
	<b><u>June 30, 2023</u></b>	<b><u>June 30, 2022</u></b>
<b>Cash flows from operating activities</b>		
Dividend received	\$ 344,198	\$ 327,091
Interest received	146	-
Other income received	-	1,262
Operating expenses paid	(473,769)	(468,549)
Reimbursements received from Manager	7,761	15,100
Purchase of financial assets at fair value through profit or loss	(5,363,296)	(5,173,655)
Proceeds from sale of financial assets at fair value through profit or loss	5,661,902	744,747
Net change in unrealized loss on foreign currencies	(829)	(3,995)
Net change in unrealized depreciation on derivatives	120,687	2,646
	<u>296,800</u>	<u>(4,555,353)</u>
Net cash provided by (used in) operating activities		
<b>Cash flows from financing activities</b>		
Proceeds from subscriptions of redeemable participating shares	617,479	6,123,678
Payments for redemptions of redeemable participating shares	(1,496,340)	(2,548,170)
	<u>(878,861)</u>	<u>3,575,508</u>
Net cash (used in) provided by financing activities		
<b>Net change in cash and cash equivalents</b>	(582,061)	(979,845)
<b>Cash and cash equivalents at beginning of period</b>	<u>764,191</u>	<u>1,685,749</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 182,130</u>	<u>\$ 705,904</u>
<b>Supplemental cash flow disclosures</b>		
Tax withheld	<u>\$ 112,618</u>	<u>\$ 107,720</u>

**SCOTIA CANADIAN EQUITY FUND**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**PERIOD ENDED JUNE 30, 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 June 30, 2023, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN	USD	1.324