

SCOTIA CANADIAN EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2022

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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>December 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 764,191	\$ 1,685,749
Financial assets at fair value through profit or loss:		
Equity securities: (Cost: \$28,819,605 (December 2021: \$23,880,243))	33,695,312	33,814,495
Derivatives	95,294	181,990
Subscriptions receivable	130,073	11,976
Dividends receivable	100,839	67,853
Receivable from Manager	7,761	15,099
	<hr/>	<hr/>
Total assets	34,793,470	35,777,162
	<hr/>	<hr/>
LIABILITIES		
Financial liabilities at fair value through profit or loss:		
Derivatives	100,994	52,108
Accrued expenses	60,751	57,255
Management fee payable	60,180	56,814
Tax withholding liability	25,740	17,323
Redemptions payable	80	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<hr/>	<hr/>
	247,745	183,500
	<hr/>	<hr/>
Management shares	768	768
	<hr/>	<hr/>
Net assets attributable to holders of redeemable participating shares	\$ 34,544,957	\$ 35,592,894
	<hr/>	<hr/>
Net asset value per redeemable participating share		
Class A		
\$26,786,658/8,151,936 shares (December 2021: \$31,122,503/8,623,560 shares)	<u>\$ 3.29</u>	<u>\$ 3.61</u>
Class NU		
\$692,239/212,722 shares (December 2021: \$803,465/223,663 shares)	<u>\$ 3.25</u>	<u>\$ 3.59</u>
Class IU		
\$1,188/357 shares (December 2021: \$1,277/357 shares)	<u>\$ 3.33</u>	<u>\$ 3.58</u>
Class AC		
CDN8,498,993/1,677,968 shares (December 2021: CDN3,542,671/680,780 shares)	<u>CDN 5.07</u>	<u>CDN 5.20</u>
Class NC		
CDN1,062,251/233,693 shares (December 2021: CDN1,096,574/233,693 shares)	<u>CDN 4.55</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: February 9, 2023

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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Income				
Dividend income	\$ 221,207	\$ 185,386	\$ 895,303	\$ 717,879
Other income	(341)	-	625	165
Interest income	(264)	-	-	-
Net realized gain on financial assets at fair value through profit or loss and foreign currencies	1,080,268	293,673	1,937,697	666,071
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	603,378	1,688,439	(5,195,749)	5,525,585
	<u>1,904,248</u>	<u>2,167,498</u>	<u>(2,362,124)</u>	<u>6,909,700</u>
Expenses				
Management fees	175,017	166,793	726,872	613,116
Custodian and administration fees	19,036	25,012	96,843	99,083
Other expenses	18,603	21,799	79,108	85,949
Professional fees	6,709	6,231	17,185	25,032
	<u>219,365</u>	<u>219,835</u>	<u>920,008</u>	<u>823,180</u>
Total operating expenses				
Less: expenses reimbursed	(7,760)	(15,094)	(30,539)	(71,386)
	<u>211,605</u>	<u>204,741</u>	<u>889,469</u>	<u>751,794</u>
Net operating expenses				
Operating profit (loss)	1,692,643	1,962,757	(3,251,593)	6,157,906
Withholding taxes on dividend income	(54,629)	(45,893)	(222,270)	(177,693)
	<u>(54,629)</u>	<u>(45,893)</u>	<u>(222,270)</u>	<u>(177,693)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	\$ <u>1,638,014</u>	\$ <u>1,916,864</u>	\$ <u>(3,473,863)</u>	\$ <u>5,980,213</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shareholders' Equity		
Share Capital	\$ 97,092	\$ 91,945
Share Premium	28,231,045	25,810,266
Retained Earnings	9,690,683	3,710,470
(Decrease) increase in net assets for the period	<u>(3,473,863)</u>	<u>5,980,213</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 34,544,957</u>	<u>\$ 35,592,894</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	Year ended	
	December 31, 2022	December 31, 2021
Cash flows from operating activities		
Dividend received	\$ 648,464	\$ 531,950
Other income received	625	165
Operating expenses paid	(913,146)	(789,723)
Reimbursements received from Manager	37,877	60,138
Purchase of financial assets at fair value through profit or loss	(8,881,726)	(5,154,360)
Proceeds from sale of financial assets at fair value through profit or loss	5,744,711	3,446,144
Net change in unrealized (loss) gain on foreign currencies	(1,854)	2,487
Net change in unrealized appreciation (depreciation) on derivatives	135,582	(333,626)
	<u>(3,229,467)</u>	<u>(2,236,825)</u>
Net cash used in operating activities		
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	7,780,541	6,804,608
Payments for redemptions of redeemable participating shares	(5,472,632)	(3,234,177)
	<u>2,307,909</u>	<u>3,570,431</u>
Net cash provided by financing activities		
Net change in cash and cash equivalents	(921,558)	1,333,606
Cash and cash equivalents at beginning of period	1,685,749	352,143
Cash and cash equivalents at end of period	<u>\$ 764,191</u>	<u>\$ 1,685,749</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 213,853</u>	<u>\$ 175,061</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 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 December 31, 2022, the current rate of exchange is:

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