

SCOTIA CANADIAN EQUITY FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2020

SCOTIA CANADIAN EQUITY FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2020

CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED STATEMENT OF CASH FLOWS	4
UNAUDITED NOTES TO FINANCIAL STATEMENTS	5

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
ASSETS			
Cash and cash equivalents	\$ 352,143	\$ 303,039	\$ 464,727
Financial assets at fair value through profit or loss:			
Debt securities: (Cost: \$21,172,035 (September 2020: \$21,388,001; December 2019: \$23,560,583))	25,917,110	23,606,126	26,356,984
Derivatives	565	55,199	1,846
Dividends receivable	56,985	56,641	52,692
Receivable from Manager	3,851	83,857	19,049
Subscriptions receivable	3,466	11,296	496
	<u>26,334,120</u>	<u>24,116,158</u>	<u>26,895,794</u>
Total assets			
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	204,309	-	274,496
Management fee payable	44,424	40,142	45,268
Accrued expenses	36,188	30,808	72,386
Tax withholding liability	14,691	14,587	13,306
Redemptions payable	4,005	-	21,000
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>303,617</u>	<u>85,537</u>	<u>426,456</u>
Management shares	<u>768</u>	<u>768</u>	<u>768</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 26,029,735</u>	<u>\$ 24,029,853</u>	<u>\$ 26,468,570</u>
Net asset value per redeemable participating share			
Class A			
\$22,968,144/7,810,172 shares (September 2020: \$21,145,599/7,870,478 shares; December 2019: \$23,263,754/8,189,609 shares)	<u>\$ 2.94</u>	<u>\$ 2.69</u>	<u>\$ 2.84</u>
Class NU			
\$726,904/247,080 shares (September 2020: \$701,900/260,818 shares; December 2019: \$787,523/275,740 shares)	<u>\$ 2.94</u>	<u>\$ 2.69</u>	<u>\$ 2.86</u>
Class IU			
\$1,022/357 shares (September 2020: \$930/357 shares; December 2019: \$970/357 shares)	<u>\$ 2.86</u>	<u>\$ 2.60</u>	<u>\$ 2.72</u>
Class AC			
CDN2,069,387/484,200 shares (September 2020: CDN2,039,664/500,073 shares; December 2019: CDN2,237,608/533,240 shares)	<u>CDN 4.27</u>	<u>CDN 4.08</u>	<u>CDN 4.20</u>
Class NC			
CDN905,081/233,693 shares (September 2020: CDN864,849/233,693 shares; December 2019: CDN893,108/233,693 shares)	<u>CDN 3.87</u>	<u>CDN 3.70</u>	<u>CDN 3.82</u>
Class IC			
CDN1,450/320 shares (September 2020: CDN1,378/320 shares; December 2019: CDN1,401/320 shares)	<u>CDN 4.53</u>	<u>CDN 4.31</u>	<u>CDN 4.38</u>
Class IJ			
JMC74,751/558 shares (September 2020: JMC67,936/558 shares; December 2019: JMC66,114/558 shares)	<u>JMC 133.96</u>	<u>JMC 121.75</u>	<u>JMC 118.48</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: February 12, 2021

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
Income			
Dividend income	\$ 163,454	\$ 164,667	\$ 190,584
Interest income	-	-	101
Other income	-	17,288	-
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(9,910)	(242,382)	409,302
Net change in unrealized appreciation on financial assets at fair value through profit or loss and foreign currencies	<u>2,267,816</u>	<u>1,693,045</u>	<u>600,124</u>
Total net income	<u>2,421,360</u>	<u>1,632,618</u>	<u>1,200,111</u>
Expenses			
Management fees	126,452	122,612	137,747
Other expenses	25,490	20,961	21,472
Custodian and administration fees	24,782	36,258	22,019
Professional fees	<u>6,716</u>	<u>6,716</u>	<u>7,493</u>
Total operating expenses	183,440	186,547	188,731
Less: expenses reimbursed	<u>(28,404)</u>	<u>(36,213)</u>	<u>(19,039)</u>
Net operating expenses	<u>155,036</u>	<u>150,334</u>	<u>169,692</u>
Operating profit	2,266,324	1,482,284	1,030,419
Withholding taxes on dividend income	<u>(39,915)</u>	<u>(40,298)</u>	<u>(44,439)</u>
Increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 2,226,409</u>	<u>\$ 1,441,986</u>	<u>\$ 985,980</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
Shareholders' Equity			
Share Capital	\$ 82,089	\$ 82,988	\$ 86,660
Share Premium	22,237,177	22,462,805	23,383,901
Retained Earnings	1,484,060	42,074	2,012,029
Increase in net assets for the quarter	<u>2,226,409</u>	<u>1,441,986</u>	<u>985,980</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>26,029,735</u>	\$ <u>24,029,853</u>	\$ <u>26,468,570</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
Cash flows from operating activities			
Dividend received	\$ 123,299	\$ 118,994	\$ 150,468
Interest income received	-	-	101
Other income received	-	17,288	-
Operating expenses paid	(173,778)	(174,335)	(171,580)
Reimbursements received from Manager	108,410	3	50,270
Purchase of financial assets at fair value through profit or loss	(835,323)	(216,809)	(1,044,697)
Proceeds from sale of financial assets at fair value through profit or loss	1,041,379	304,507	4,407,808
Net change in unrealized loss (gain) on foreign currencies	(259,134)	296,025	(309,581)
Net change in unrealized (appreciation) depreciation on derivatives	258,943	(296,994)	310,650
	<u>263,796</u>	<u>48,679</u>	<u>3,393,439</u>
Net cash provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	671,225	143,528	449,385
Payments for redemptions of redeemable participating shares	(885,917)	(425,547)	(3,554,025)
	<u>(214,692)</u>	<u>(282,019)</u>	<u>(3,104,640)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents	49,104	(233,340)	288,799
Cash and cash equivalents at beginning of period	<u>303,039</u>	<u>536,379</u>	<u>175,928</u>
Cash and cash equivalents at end of period	<u>\$ 352,143</u>	<u>\$ 303,039</u>	<u>\$ 464,727</u>
Supplemental cash flow disclosures			
Tax withheld	<u>\$ 39,811</u>	<u>\$ 38,521</u>	<u>\$ 45,927</u>

SCOTIA CANADIAN EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 31, 2020

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 or JMC equivalent using the then current rate of exchange. For the quarter ended December 31, 2020, the current rates of exchange are:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
CDN		USD	1.276
JMC		USD	141.671