

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2023

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

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SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash and cash equivalents	\$ 51,377	\$ 84,527
Financial assets at fair value through profit and loss (Cost: \$2,865,827 (December 2022: \$2,941,474))	2,344,155	2,270,919
Receivable from Manager	56,110	26,486
Dividends receivable	5,443	936
Total assets	<u>2,457,085</u>	<u>2,382,868</u>
LIABILITIES		
Accrued expenses	23,240	45,058
Tax withholding liability	561	202
Management fee payable	410	398
Liabilities (excluding net assets attributable to holders of investment shares)	<u>24,211</u>	<u>45,658</u>
Net assets attributable to holders of investment shares	\$ <u>2,432,874</u>	\$ <u>2,337,210</u>
Net asset value per investment share		
Class I \$2,307,982/299,800 shares (December 2022: \$2,213,963/299,800 shares)	\$ <u>7.70</u>	\$ <u>7.38</u>
Class F \$756/100 shares (December 2022: \$728/100 shares)	\$ <u>7.56</u>	\$ <u>7.28</u>
Class K \$124,136/16,406 shares (December 2022: \$122,519/16,869 shares)	\$ <u>7.57</u>	\$ <u>7.26</u>

Approved for issuance on behalf of Scotia Sustainable Emerging Markets Equity Fund's Board of Directors by:

Farried Sulliman
Farried Sulliman
Director

Sarah Hobbs
Sarah Hobbs
Director

Date: August 11, 2023

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	For the three month periods ended		For the six months periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Income				
Dividend income	\$ 18,738	\$ 18,201	\$ 26,457	\$ 27,171
Other income	-	-	370	-
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(34,649)	(34,585)	(66,450)	(77,505)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	(6,857)	(232,395)	148,630	(445,866)
Total net income (loss)	(22,768)	(248,779)	109,007	(496,200)
Expenses				
Custodian and administration fees	17,673	17,502	32,876	36,393
Other expenses	9,115	8,167	16,977	21,726
Professional fees	5,338	5,236	10,516	11,893
Management fees	1,228	1,122	2,468	1,679
Total operating expenses	33,354	32,027	62,837	71,691
Less: expenses reimbursed	(30,020)	(28,933)	(56,110)	(65,515)
Net operating expenses	3,334	3,094	6,727	6,176
Operating gain (loss)	(26,102)	(251,873)	102,280	(502,376)
Withholding taxes	(1,646)	(1,528)	(3,116)	(3,333)
Increase (decrease) in net assets from operations attributable to holders of investment shares	\$ (27,748)	\$ (253,401)	\$ 99,164	\$ (505,709)

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the six month periods ended	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<u>Shareholders' Equity</u>		
Share Premium	\$ 3,116,500	\$ 3,000,000
Accumulated deficit	(782,790)	(301,154)
Increase (decrease) in net assets for the period	<u>99,164</u>	<u>(505,709)</u>
Net assets attributable to holders of investment shares	<u>\$ 2,432,874</u>	<u>\$ 2,193,137</u>

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	For the six month periods ended	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash flows from operating activities		
Dividend received	\$ 19,193	\$ 20,036
Other income received	370	-
Operating expenses paid	(84,643)	(79,431)
Reimbursements received from Manager	26,486	37,410
Purchase of financial assets at fair value through profit and loss	(64,774)	(146,795)
Proceeds from sale of financial assets at fair value through profit and loss	<u>73,718</u>	<u>169,872</u>
Net cash (used in) provided by operating activities	<u>(29,650)</u>	<u>1,092</u>
Cash flows from financing activities		
Payments for redemptions of investment shares	<u>(3,500)</u>	<u>-</u>
Net cash used in financing activities	<u>(3,500)</u>	<u>-</u>
Net change in cash and cash equivalents	(33,150)	1,092
Cash and cash equivalents at beginning of period	<u>84,527</u>	<u>64,796</u>
Cash and cash equivalents at end of period	<u>\$ 51,377</u>	<u>\$ 65,888</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 2,757</u>	<u>\$ 3,005</u>

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2023

1. General

Scotia Sustainable Emerging Markets Equity Fund (the "Company") was incorporated in the Cayman Islands on October 29, 2020 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.