

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 2022

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

INDEX TO UNAUDITED FINANCIAL STATEMENTS

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CONTENTS

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

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 19,114	\$ 64,796
Financial assets at fair value through profit and loss (Cost: \$2,848,453 (December 2021: \$2,928,933))	1,816,504	2,669,776
Receivable from Manager	93,307	37,410
Dividends receivable	2,873	986
Total assets	<u>1,931,798</u>	<u>2,772,968</u>
LIABILITIES		
Accrued expenses	52,138	73,894
Management fee payable	335	18
Tax withholding liability	298	210
Liabilities (excluding net assets attributable to holders of investment shares)	<u>52,771</u>	<u>74,122</u>
Net assets attributable to holders of investment shares	\$ <u>1,879,027</u>	\$ <u>2,698,846</u>
Net asset value per investment share		
Class I \$1,877,792/299,800 shares (December 2021: \$2,697,064/299,800 shares)	\$ <u>6.26</u>	\$ <u>9.00</u>
Class F \$619/100 shares (December 2021: \$894/100 shares)	\$ <u>6.19</u>	\$ <u>8.94</u>
Class K \$616/100 shares (December 2021: \$000/000 shares)	\$ <u>6.16</u>	\$ <u>0.00</u>
Class A \$000/000 shares (December 2021: \$888/100 shares)	\$ <u>0.00</u>	\$ <u>8.88</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: November 9, 2022

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**UNAUDITED STATEMENT OF COMPREHENSIVE LOSS****(expressed in United States dollars)**

	For the three month periods ended		For the nine months periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021*
Income				
Dividend income	\$ 7,798	\$ 8,893	\$ 34,969	\$ 15,628
Net realized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	9,130	(54,381)	(68,375)	(50,602)
Net change in unrealized depreciation on financial assets at fair value through profit or loss and foreign currencies	(327,138)	(312,391)	(773,004)	(206,620)
Total net loss	(310,210)	(357,879)	(806,410)	(241,594)
Expenses				
Custodian and administration fees	27,893	19,169	64,286	28,129
Professional fees	7,556	6,805	19,449	9,986
Other expenses	(5,790)	13,861	15,936	20,338
Management fees	1,071	7	2,750	11
Total operating expenses	30,730	39,842	102,421	58,464
Less: expenses reimbursed	(27,792)	(37,287)	(93,307)	(54,640)
Net operating expenses	2,938	2,555	9,114	3,824
Operating loss	(313,148)	(360,434)	(815,524)	(245,418)
Withholding taxes	(962)	(1,029)	(4,295)	(1,619)
Decrease in net assets from operations attributable to holders of investment shares	\$ (314,110)	\$ (361,463)	\$ (819,819)	\$ (247,037)

* The Company commenced operations on May 19, 2021.

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the nine month periods ended	
	<u>September 30, 2022</u>	<u>September 30, 2021*</u>
<u>Shareholders' Equity</u>		
Share Capital	\$ -	\$ 3,000
Share Premium	3,000,000	2,997,000
(Accumulated deficit) retained earnings	(301,154)	-
Decrease in net assets for the period	<u>(819,819)</u>	<u>(247,037)</u>
Net assets attributable to holders of investment shares	\$ <u>1,879,027</u>	\$ <u>2,752,963</u>

* The Company commenced operations on May 19, 2021.

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	<u>For the nine month periods ended</u>	
	<u>September 30, 2022</u>	<u>September 30, 2021*</u>
Cash flows from operating activities		
Dividend received	\$ 28,875	\$ 11,871
Operating expenses paid	(123,860)	(4,816)
Reimbursements received from Manager	37,410	-
Purchase of financial assets at fair value through profit and loss	(215,205)	(3,301,204)
Proceeds from sale of financial assets at fair value through profit and loss	227,098	336,595
	<u>(45,682)</u>	<u>(2,957,554)</u>
Net cash used in operating activities		
	(45,682)	(2,957,554)
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	-	3,000,000
	<u>-</u>	<u>3,000,000</u>
Net cash provided by financing activities		
	-	3,000,000
Net change in cash and cash equivalents	(45,682)	42,446
Cash and cash equivalents at beginning of period	64,796	-
Cash and cash equivalents at end of period	<u>\$ 19,114</u>	<u>\$ 42,446</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 4,207</u>	<u>\$ 1,305</u>

* The Company commenced operations on May 19, 2021.

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 2022

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.