

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**PERIOD ENDED DECEMBER 31, 2023**

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

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**PERIOD ENDED DECEMBER 31, 2023**

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**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

**(expressed in United States dollars)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 49,679	\$ 84,527
Financial assets at fair value through profit and loss (Cost: \$2,807,994 (December 2022: \$2,941,474))	2,280,822	2,270,919
Receivable from Manager	24,325	26,486
Receivable for investments sold	6,137	-
Dividends receivable	1,681	936
Total assets	<u>2,362,644</u>	<u>2,382,868</u>
<b>LIABILITIES</b>		
Accrued expenses	43,530	45,058
Management fee payable	398	398
Tax withholding liability	236	202
Liabilities (excluding net assets attributable to holders of investment shares)	<u>44,164</u>	<u>45,658</u>
<b>Net assets attributable to holders of investment shares</b>	<b><u>\$ 2,318,480</u></b>	<b><u>\$ 2,337,210</u></b>
Net asset value per investment share		
Class I \$2,232,104/299,800 shares (December 2022: \$2,213,963/299,800 shares)	<u>\$ 7.45</u>	<u>\$ 7.38</u>
Class F \$728/100 shares (December 2022: \$728/100 shares)	<u>\$ 7.28</u>	<u>\$ 7.28</u>
Class K \$85,648/11,709 shares (December 2022: \$122,519/16,869 shares)	<u>\$ 7.31</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: February 7, 2024

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

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

**(expressed in United States dollars)**

	For the three month periods ended		Year ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Income</b>				
Dividend income	\$ 9,169	\$ 5,691	\$ 48,948	\$ 40,660
Other income	307	86	999	86
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(70,847)	(39,009)	(137,379)	(107,384)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	168,521	361,946	142,809	(411,058)
Total net income (loss)	107,150	328,714	55,377	(477,696)
<b>Expenses</b>				
Custodian and administration fees	14,660	(1,613)	60,839	62,673
Other expenses	6,248	11,471	32,945	27,407
Professional fees	5,476	5,292	21,467	24,741
Management fees	1,208	1,054	4,938	3,804
Total operating expenses	27,592	16,204	120,189	118,625
Less: expenses reimbursed	(24,325)	(26,487)	(93,069)	(119,794)
Net operating expenses	3,267	(10,283)	27,120	(1,169)
<b>Operating income (loss)</b>	103,883	338,997	28,257	(476,527)
Withholding taxes	(1,049)	(814)	(6,093)	(5,109)
<b>Increase (decrease) in net assets from operations attributable to holders of investment shares</b>	\$ 102,834	\$ 338,183	\$ 22,164	\$ (481,636)

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**(expressed in United States dollars)**

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b><u>Shareholders' Equity</u></b>		
Share Premium	\$ 3,079,106	\$ 3,120,000
Accumulated deficit	(782,790)	(301,154)
Increase (decrease) in net assets for the period	<u>22,164</u>	<u>(481,636)</u>
Net assets attributable to holders of investment shares	\$ <u>2,318,480</u>	\$ <u>2,337,210</u>

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED STATEMENT OF CASH FLOWS**

**(expressed in United States dollars)**

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>Cash flows from operating activities</b>		
Dividend received	\$ 42,144	\$ 35,593
Other income received	999	86
Operating expenses paid	(121,717)	(147,081)
Reimbursements received from Manager	95,230	130,718
Purchase of financial assets at fair value through profit and loss	(159,668)	(436,509)
Proceeds from sale of financial assets at fair value through profit and loss	<u>149,058</u>	<u>316,924</u>
Net cash provided by (used in) operating activities	<u>6,046</u>	<u>(100,269)</u>
<b>Cash flows from financing activities</b>		
Proceeds from subscriptions of investment shares	600,333	120,862
Payments for redemptions of investment shares	<u>(641,227)</u>	<u>(862)</u>
Net cash (used in) provided by financing activities	<u>(40,894)</u>	<u>120,000</u>
<b>Net change in cash and cash equivalents</b>	<u>(34,848)</u>	<u>19,731</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>84,527</u>	<u>64,796</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 49,679</u>	<u>\$ 84,527</u>
<b>Supplemental cash flow disclosures</b>		
Tax withheld	<u>\$ 6,059</u>	<u>\$ 5,117</u>

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**PERIOD ENDED DECEMBER 31, 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, 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.