

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**PERIOD ENDED JUNE 30, 2022**

**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, 2022</u>	<u>December 31, 2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 65,888	\$ 64,796
Financial assets at fair value through profit and loss (Cost: \$2,828,288 (December 2021: \$2,928,933))	2,123,328	2,669,776
Receivable from Manager	65,515	37,410
Dividends receivable	5,116	986
Total assets	<u>2,259,847</u>	<u>2,772,968</u>
<b>LIABILITIES</b>		
Accrued expenses	65,807	73,894
Tax withholding liability	538	210
Management fee payable	365	18
Liabilities (excluding net assets attributable to holders of investment shares)	<u>66,710</u>	<u>74,122</u>
<b>Net assets attributable to holders of investment shares</b>	<b>\$ <u>2,193,137</u></b>	<b>\$ <u>2,698,846</u></b>
Net asset value per investment share		
Class I \$2,191,689/299,800 shares (December 2021: \$2,697,064/299,800 shares)	<u>\$ 7.31</u>	<u>\$ 9.00</u>
Class F \$726/100 shares (December 2021: \$894/100 shares)	<u>\$ 7.26</u>	<u>\$ 8.94</u>
Class K \$722/100 shares (December 2021: \$000/000 shares)	<u>\$ 7.22</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: August 11, 2022

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

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

**(expressed in United States dollars)**

	For the three month periods ended		For the six months periods ended	
	June 30, 2022	June 30, 2021*	June 30, 2022	June 30, 2021*
<b>Income</b>				
Dividend income	\$ 18,201	\$ 6,735	\$ 27,171	\$ 6,735
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(34,585)	3,779	(77,505)	3,779
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss and foreign currencies	(232,395)	105,771	(445,866)	105,771
Total net (loss) income	(248,779)	116,285	(496,200)	116,285
<b>Expenses</b>				
Custodian and administration fees	17,502	8,960	36,393	8,960
Other expenses	8,167	6,477	21,726	6,477
Professional fees	5,236	3,181	11,893	3,181
Management fees	1,122	4	1,679	4
Total operating expenses	32,027	18,622	71,691	18,622
Less: expenses reimbursed	(28,933)	(17,353)	(65,515)	(17,353)
Net operating expenses	3,094	1,269	6,176	1,269
<b>Operating (loss) gain</b>	(251,873)	115,016	(502,376)	115,016
Withholding taxes	(1,528)	(590)	(3,333)	(590)
<b>(Decrease) increase in net assets from operations attributable to holders of investment shares</b>	\$ (253,401)	\$ 114,426	\$ (505,709)	\$ 114,426

\* 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)**

	<b>For the six month periods ended</b>	
	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021*</u></b>
<b><u>Shareholders' Equity</u></b>		
Share Capital	\$ -	\$ 3,000
Share Premium	3,000,000	2,997,000
Retained Earnings	(301,154)	-
(Decrease) increase in net assets for the period	<u>(505,709)</u>	<u>114,426</u>
Net assets attributable to holders of investment shares	<u>\$ 2,193,137</u>	<u>\$ 3,114,426</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)**

	<b>For the six month periods ended</b>	
	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021*</u></b>
<b>Cash flows from operating activities</b>		
Dividend received	\$ 20,036	\$ 3,528
Operating expenses paid	(79,431)	(1,472)
Reimbursements received from Manager	37,410	-
Purchase of financial assets at fair value through profit and loss	(146,795)	(3,027,950)
Proceeds from sale of financial assets at fair value through profit and loss	169,872	61,959
	<u>1,092</u>	<u>(2,963,935)</u>
Net cash provided by (used in) operating activities		
	<u>1,092</u>	<u>(2,963,935)</u>
<b>Cash flows from financing activities</b>		
Proceeds from subscriptions of redeemable participating shares	-	3,000,000
	<u>-</u>	<u>3,000,000</u>
Net cash provided by financing activities		
	<u>-</u>	<u>3,000,000</u>
<b>Net change in cash and cash equivalents</b>	1,092	36,065
<b>Cash and cash equivalents at beginning of period</b>	<u>64,796</u>	<u>-</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 65,888</u>	<u>\$ 36,065</u>
<b>Supplemental cash flow disclosures</b>		
Tax withheld	<u>\$ 3,005</u>	<u>\$ 336</u>

\* The Company commenced operations on May 19, 2021.

**SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**PERIOD ENDED JUNE 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, 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.