

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2022

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

INDEX TO UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2022

CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (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>December 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 84,527	\$ 64,796
Financial assets at fair value through profit and loss (Cost: \$2,941,474 (December 2021: \$2,928,933))	2,270,919	2,669,776
Receivable from Manager	26,486	37,410
Dividends receivable	936	986
Total assets	<u>2,382,868</u>	<u>2,772,968</u>
LIABILITIES		
Accrued expenses	45,058	73,894
Management fee payable	398	18
Tax withholding liability	202	210
Liabilities (excluding net assets attributable to holders of investment shares)	<u>45,658</u>	<u>74,122</u>
Net assets attributable to holders of investment shares	\$ <u>2,337,210</u>	\$ <u>2,698,846</u>
Net asset value per investment share		
Class I \$2,213,963/299,800 shares (December 2021: \$2,697,064/299,800 shares)	<u>\$ 7.38</u>	<u>\$ 9.00</u>
Class F \$728/100 shares (December 2021: \$894/100 shares)	<u>\$ 7.28</u>	<u>\$ 8.94</u>
Class K \$122,519/16,869 shares (December 2021: \$000/000 shares)	<u>\$ 7.26</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: February 9, 2023

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

	<u>For the three month periods ended</u>		<u>Year ended</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2022</u>	<u>December 31, 2021*</u>
Income				
Dividend income	\$ 5,691	\$ 6,023	\$ 40,660	\$ 21,651
Other income	86	-	86	-
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(39,009)	(4,364)	(107,384)	(54,966)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss and foreign currencies	361,946	(52,469)	(411,058)	(259,089)
Total net income (loss)	<u>328,714</u>	<u>(50,810)</u>	<u>(477,696)</u>	<u>(292,404)</u>
Expenses				
Custodian and administration fees	(1,613)	19,169	62,673	47,298
Other expenses	11,471	13,857	27,407	34,194
Professional fees	5,292	6,805	24,741	16,792
Management fees	1,054	7	3,804	18
Total operating expenses	<u>16,204</u>	<u>39,838</u>	<u>118,625</u>	<u>98,302</u>
Less: expenses reimbursed	<u>(26,487)</u>	<u>(37,408)</u>	<u>(119,794)</u>	<u>(92,048)</u>
Net operating expenses	<u>(10,283)</u>	<u>2,430</u>	<u>(1,169)</u>	<u>6,254</u>
Operating income (loss)	<u>338,997</u>	<u>(53,240)</u>	<u>(476,527)</u>	<u>(298,658)</u>
Withholding taxes	<u>(814)</u>	<u>(877)</u>	<u>(5,109)</u>	<u>(2,496)</u>
Increase (decrease) in net assets from operations attributable to holders of investment shares	<u>\$ 338,183</u>	<u>\$ (54,117)</u>	<u>\$ (481,636)</u>	<u>\$ (301,154)</u>

* 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)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021*</u>
<u>Shareholders' Equity</u>		
Share Capital	\$ -	\$ 3,000
Share Premium	3,120,000	2,997,000
(Accumulated deficit) retained earnings	(301,154)	-
Decrease in net assets for the period	<u>(481,636)</u>	<u>(301,154)</u>
Net assets attributable to holders of investment shares	<u>\$ 2,337,210</u>	<u>\$ 2,698,846</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)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021*</u>
Cash flows from operating activities		
Dividend received	\$ 35,593	\$ 18,379
Other income received	86	-
Operating expenses paid	(147,081)	(24,390)
Reimbursements received from Manager	130,718	54,638
Purchase of financial assets at fair value through profit and loss	(436,509)	(3,404,322)
Proceeds from sale of financial assets at fair value through profit and loss	316,924	420,491
	<u>(100,269)</u>	<u>(2,935,204)</u>
Net cash used in operating activities		
	(100,269)	(2,935,204)
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	120,862	3,000,000
Payments for redemptions of redeemable participating shares	(862)	-
	<u>120,000</u>	<u>3,000,000</u>
Net cash provided by financing activities		
	120,000	3,000,000
Net change in cash and cash equivalents	19,731	64,796
Cash and cash equivalents at beginning of period	<u>64,796</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 84,527</u>	<u>\$ 64,796</u>
Supplemental cash flow disclosures		
Tax withheld	<u>\$ 5,117</u>	<u>\$ 2,286</u>

* The Company commenced operations on May 19, 2021.

SCOTIA SUSTAINABLE EMERGING MARKETS EQUITY FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 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.