

Scotia Sustainable Global Corporate Bond Fund

Quarterly fund highlights

As at December 31, 2021

Top 10 Bond Holdings (%)

As at December 31, 2021

Anheuser-Busch Inbev	4.9
BP PLC	4.8
Manulife Financial	4.8
JPMorgan Chase	4.5
Fortis	4.5
Apple	4.5
Wells Fargo	4.4
Comcast	4.3
Verizon	4.3
Visa	4.2

Sector Allocation (%)

As at December 31, 2021

Financials	29.9
Consumer Staples	19.1
Energy	16.2
Communications	12.7
Information Technology	9.3
Utilities	4.6
Materials	2.8
Consumer Discretionary	1.1

Credit Quality

As at December 31, 2021

AAA	4.8
AA	12.5
A	47.1
BBB	35.6

Bond Holdings

As at December 31, 2021

Fund	31
Bloomberg Barclays US Corp. Total Value Index	6,784

Q4 2021 Update

For the fourth quarter, the Scotia Sustainable Global Corporate Bond Fund returned -0.11% versus 0.23% for the Barclays US Corporate Bond Index.

The Fund's underperformance in the fourth quarter was due in part to the flattening of the overall yield curve given the Fund's yield curve steepening exposure. The Fund's holdings in communication bonds outperformed in the fourth quarter; however, the outperformance was offset by the Fund's holdings in technology bonds which underperformed relative to the overall composite benchmark holdings. During the quarter, we also eliminated our underweight in duration relative to the benchmark.

During the quarter, inflation was the 'buzz word' used by most major central banks with a hint of taking action to confront it. The U.S. Federal Reserve acknowledged inflationary pressures and has accelerated the taper of bond purchases opening the door for earlier interest rate hikes next year.

Moving forward, interest rates are likely to rise but to a limited extent as we expect economic growth to naturally decline from the strong level of 2021. Combined with a shift in monetary policy from extremely accommodative to slightly accommodative, the outlook for financial markets is more modest than for the past year.

*As of December 31, 2021, performance returns for the Scotia Sustainable Global Corporate Bond Fund are as follows: 1 month: -0.11%, 3 months: -0.12% and since inception (05/19/2021): 0.98%. Performance returns for the Bloomberg Barclays US Corporate Total Return Value Unhedged USD benchmark are as follows: 3 months: 0.23%.

Scotia Sustainable Global Corporate Bond Fund

Legal disclaimer

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