

Scotia Low Carbon Canadian Fixed Income Fund

A high-quality, low-carbon fund

Climate change is one of the key challenges of our time. The transition to a sustainable economy will present a broad array of financial risks and opportunities. Alongside the call for reduced dependency on fossil fuels globally, investors are increasingly seeking ways to lower their portfolio's carbon exposure without sacrificing investment results.

Scotia Low Carbon Canadian Fixed Income Fund is part of Scotia Global Asset Management's growing suite of Environmental, Social and Governance (ESG) solutions.

Why invest?

Scotia Low Carbon Canadian Fixed Income Fund is intended for environmentally conscious investors who want to generate regular income and modest capital gains with lower carbon intensity than the broader market.

Emphasizes green bonds, an important mechanism for financing environmentally friendly projects and the transition to a low-carbon economy.**

Minimizes the cyclical highs and lows of dedicated energy exposure by excluding energy sector* and non-energy sector businesses that are materially exposed to the fossil fuel supply chain.

Seeks to benefit from the transition to a low-carbon economy by focusing on corporate bond issuers that are less dependent on fossil fuels for their long-term success.

Targets high-quality businesses that offer a sustainable competitive advantage, industry leadership, financial strength and create value over time.

At a glance



Target Asset Mix
 ■ Fixed Income

Diversified across issuer types (corporate and government), credit rating and duration. Emphasizes green bonds.

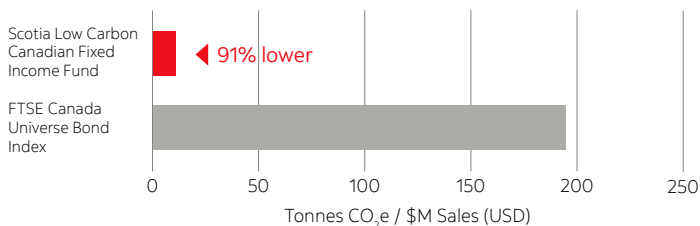
PORTFOLIO ADVISOR	Jarislowsky, Fraser Limited
BENCHMARK	FTSE Canada Universe Bond Index
RISK RATING	Low-medium
TIME HORIZON	Medium to long
DISTRIBUTION FREQUENCY	Monthly

Measuring Carbon Intensity

Scotia Low Carbon Canadian Fixed Income Fund is designed to have a lower weighted average carbon intensity than its benchmark index. The carbon intensity of the fund is determined by measuring direct CO₂ emissions[†] from the individual corporate bond issuers in the fund as well as emissions from purchased energy^{††} relative to their corporate revenues.

Weighted Average Carbon Intensity

Fund holdings using available carbon intensity data as at December 31, 2020.



Carbon Intensity = tCO₂e/\$M USD revenue. For Fund, data availability is 47.9% with 11.2% comprised of MSCI estimates; for benchmark, data availability is 34.8% with 15.6% comprised of MSCI estimates. Data Sources: JFL and MSCI. Emissions include Scope 1 and Scope 2 Emissions. Note that data availability is lower for bond funds because of the inclusion of government bonds.

* Energy sector as defined by FTSE Energy Industry Group for corporate bonds. Renewable energy companies as defined by the portfolio manager are permitted in the low-carbon funds.

** Green bond allocations included in Scotia Low Carbon Canadian Fixed Income Fund and Scotia Low Carbon Global Balanced Fund only and are subject to prudent portfolio diversification.

[†] Scope 1 emissions.

^{††} Scope 2 emissions. Carbon Intensity is expressed in metric tonnes of Scope 1 & 2 carbon dioxide equivalent (CO₂e) emissions per million USD in revenue generated by the business. A weighted average carbon intensity methodology is used, whereby the carbon intensity of each equity and corporate bond holding is proportionally weighted based on its representation in the fund. The weighted average carbon intensity is measured periodically for the low-carbon funds and their benchmark.

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