

Scotia Low Carbon Funds

High-quality, low-carbon funds

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.

Introducing Scotia Low Carbon Funds

Scotia Low Carbon Funds are part of Scotia Global Asset Management's growing suite of Environmental, Social and Governance (ESG) solutions. The funds are intended for environmentally conscious investors seeking a diversified portfolio of high-quality investments with lower carbon intensity than the broader market.

**Scotia Low Carbon
Canadian Fixed Income Fund**

**Scotia Low Carbon
Global Balanced Fund**

**Scotia Low Carbon
Global Equity Fund**

Why invest?

Scotia Low Carbon Funds will appeal to investors who are seeking:



Competitive risk-adjusted returns while lowering the carbon intensity of their portfolio relative to the benchmark.



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



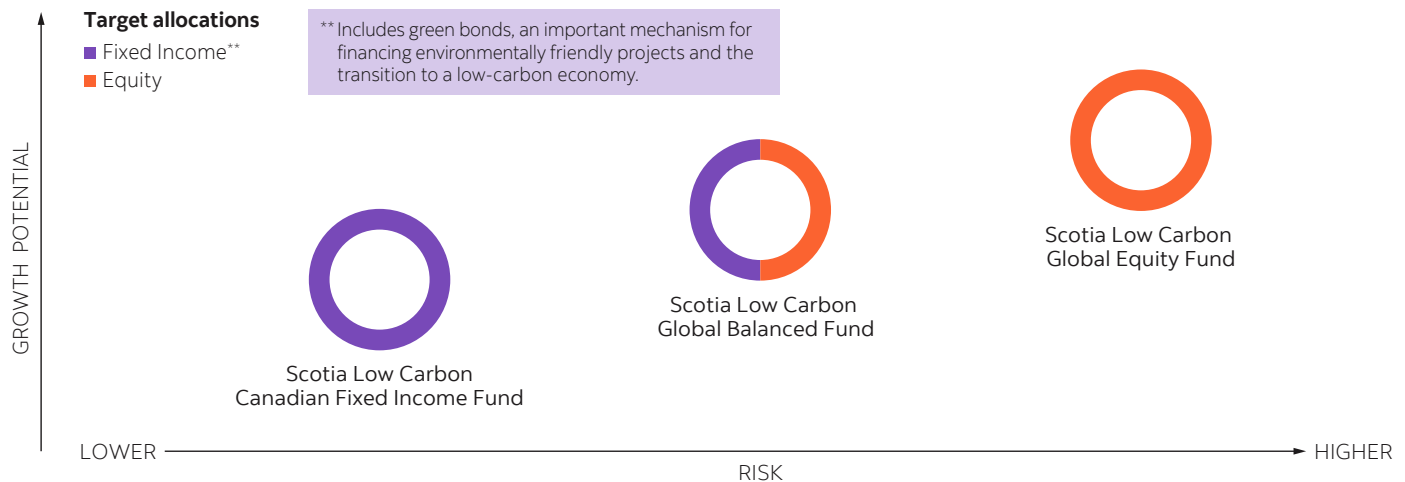
To benefit from the transition to a low-carbon economy by focusing on higher-quality businesses that are less dependent on fossil fuels for their long-term success.



An actively managed solution that considers ESG factors as part of a disciplined fundamental investment process.

* Energy sector as defined by GICS* Energy Sector for stocks and FTSE Energy Industry Group for bonds. Renewable energy companies as defined by the portfolio manager are permitted in the funds.

Scotia Low Carbon Funds at a glance



| | Scotia Low Carbon Canadian Fixed Income Fund | Scotia Low Carbon Global Balanced Fund | Scotia Low Carbon Global Equity Fund |
|------------------------|--|--|--|
| AIMS TO | Generate regular income and modest capital gains, with lower carbon intensity than its benchmark index | Generate income and long-term capital growth, with lower carbon intensity than its benchmark indices | Provide long-term capital growth, with lower carbon intensity than its benchmark index |
| BENCHMARK | FTSE Canada Universe Bond Index | 50% FTSE Canada Universe Bond Index 50% MSCI World Index (C\$) | MSCI World Index (C\$) |
| RISK RATING | Low-medium | Medium | Medium-high |
| TIME HORIZON | Medium to long | Medium to long | Long |
| DISTRIBUTION FREQUENCY | Monthly | Quarterly | Annually |

Carbon Intensity

"The Principles for Responsible Investment is working to help investors protect portfolios from risks and to expose them to opportunities to shift to a low-carbon global economy."

— *The United Nations Principles for Responsible Investment*

Low-Carbon Transition

Companies that emit large quantities of carbon dioxide have come under increasing scrutiny for their role in climate change. Those with high CO₂ emissions may face increased risk from the ongoing transition to a low-carbon economy. Failure to adapt business models to changes in public policy, regulations and consumer preferences introduce potentially elevated financial risks for exposed companies, from future levels of profitability to the value investors place on the overall business. Scotia Low Carbon Funds are designed to benefit from this transition by investing in sustainable businesses that are less dependent on fossil fuels for their long-term success.

Carbon Footprint

Each Scotia Low Carbon Fund is designed to have a lower weighted average carbon intensity than its respective benchmark index. The carbon intensity of the funds is determined by measuring direct CO₂ emissions from the individual companies in each portfolio[†] as well as emissions from purchased energy^{††} relative to their revenue. For more information on the carbon intensity of the funds, visit www.scotiafunds.com/lowcarbon.

** 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 funds and their benchmark.

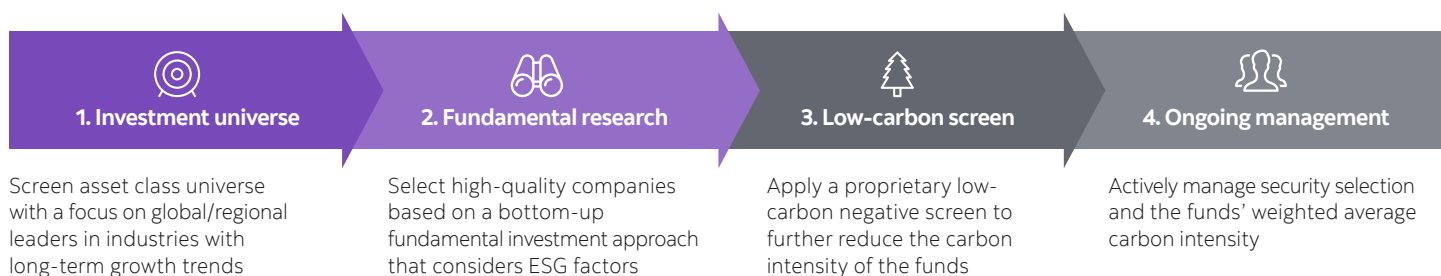
Jarislowsky, Fraser Limited: a tradition of investment stewardship

Scotia Low Carbon Funds are managed by Jarislowsky, Fraser Limited (JFL), a Canadian investment management firm whose history and culture are rooted in investment stewardship. This stewardship is expressed through an adherence to investing in higher-quality businesses, fundamental research, a long-term investment horizon, and the advancement of good governance and sustainable investing. JFL is a wholly-owned subsidiary of The Bank of Nova Scotia.

JFL believes that a company's Environmental, Social and Governance (ESG) policies and track record are a good lens to gauge quality. For this reason, JFL integrates the analysis of material ESG risks and opportunities into their investment process and have adopted a Sustainable Investment Policy that formalizes this commitment.

Investment Process

Scotia Low Carbon Funds follow JFL's disciplined investment process. They define high-quality business as those that offer a sustainable competitive advantage, industry leadership, financial strength and create value over time.



Getting started

Scotia Low Carbon Funds are available for as little as \$500. You can also set up affordable pre-authorized contributions to your investment so you can keep investing easily and automatically. Talk to a Scotiabank advisor today.

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