Scotia Fondos, S.A. de C.V.,
Sociedad Operadora de Fondos de Inversión,
Grupo Financiero Scotiabank Inverlat

Financial statements

December 31, 2022

(With Independent Auditors' Reports Thereon)
(Free Translation from Spanish Language Original)

KPMG Cárdenas Dosal, S.C.
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Independent Auditors' Report

(Translation from Spanish language original)

The Board of Directors and Stockholders
Scotia Fondos, S.A. de C.V.,
Sociedad Operadora de Fondos de Inversión,
Grupo Financiero Scotiabank Inverlat:

(Thousand of Mexican pesos)

Opinion

We have audited the financial statements of Scotia Fondos, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero Scotiabank Inverlat ("the Management Company"), which comprise the statement of financial position including statement of investment portfolio valuation as of December 31, 2022, and the statement of comprehensive income, changes in stockholders' equity and cash flows for the year ended on that date, and notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of Scotia Fondos, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero Scotiabank Inverlat, have been prepared, in all material respects, in accordance with the Accounting Criteria for Fund Management Companies in Mexico (the Accounting Criteria), issued by the National Banking and Securities Commission (the Commission).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the Management Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis paragraph

We call attention to notes 2b and 4 to the financial statements, which describe that during 2022 changes were made to the attached financial statements, which was done in response to the resolution that modifies the general provisions applicable to investment funds and the people who provide services to them, published in the Official Gazette of the Federation on December 30, 2021, which establishes that fund management company recognize the cumulative effect of these accounting changes in retained earnings, without reformulating the financial statements of years prior to January 1, 2022, and that the basic financial statements as of and for the year ended December 31, 2021, are not presented. Our opinion has not been modified in relation to this matter.

(Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Administration and investment funds distribution fees for $1,752,748

See notes 3(j) and 11 to the financial statements.

Key audit matter	How the key audit matter was addressed in our Audit
Administration and investment funds distribution fees represent 99% of the total annual income of the Management Company in 2022. Income that are derived from these commissions is recorded as they accrue, according with the contracts and applying the percentages set up in the prospectuses of information to the investing public of each of the Investment Funds that the Management Company manage or distribute. We consider administration and investment funds distributions fee as a key audit matter, since they represent the most important account relative to the income statement, and therefore, its review involves the largest number of audit hours, where we assessed completeness, existence and accuracy.	Our audit procedures included, among others, recalculate the income from these commissions, based on the provisions of the administration and distribution contracts agreed with the investment funds and reported to the investing public in the corresponding prospectus, comparing the amount of the net assets used as the basis of calculation, for a sample of daily commissions and multiplying that base by the percentage of commission applicable to the series of shares subject to payment.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the Accounting Criteria issued by the Commission, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

In preparing the financial statements, management is responsible for assessing the Management Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Management Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Management Company’s financial reporting process.

Auditors' Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Management Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Management Company to cease to continue as a going concern.

(Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cárdenas Dosal, S.C.

C.P.C. Paul Scherenberg Gomez

Mexico City, March 17, 2023

Scotia Fondos, S.A. de C.V.,
Sociedad Operadora de Fondos de Inversión,
Grupo Financiero Scotiabank Inverlat
Lorenzo Boturini No. 202 1st Floor, Col. Transito, CP 06820, Mexico City

Balance Sheet

December 31, 2022

(Thousands of Mexican pesos)

Assets	**2022**
Cash and cash equivalents (note 11)	$ 532
Investments in financial instruments (notes 5 and 11):	
Negotiable financial instruments	996,662
Accounts receivable, net (notes 6)	181,624
Prepayments and other assets, net (note 10)	3,779
Permanent investments (note 7)	64,873
Deferred income tax asset, net (note 10)	2,173
Total assets	$ 1,249,643

Liabilities and Stockholders' Equity	**2022**
Other accounts payable:	
Contributions payable	$ 20,535
Sundry creditors and other accounts payable (note 11)	137,225
Income tax payable, net (note 10)	9,179
Employee benefit liability (notes 8 and 10)	9,318
Total liabilities	176,257
Stockholders' equity (note 9):	
Paid-in capital:	
Capital stock	6,086
Earned capital:	
Statutory reserves	517
Retained earnings	1,066,963
Other comprehensive income:	
Remeasurement of defined employee benefits	(180)
	1,067,300
Total controlling interest	1,073,386
Total stockholders' equity	1,073,386
Commitments and contingent liabilities (note 14)	
Total liabilities and stockholders' equity	$ 1,249,643

Memorandum accounts	**2022**
Assets in custody or under administration (note 12)	$ 292,742,876
Other registration accounts	17,547

The accompanying explanatory notes are an integral part of this financial statement.

“This balance sheet was prepared in accordance with the accounting criteria applicable to the Company, issued by the National Banking and Securities Commision, based on Article 76 of the Law fo Mutual Funds, which are of a general and mandatory nature. Accordingly, they reflect all the transactions carried out by the company through the dates indicated above. Furthermore, the transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This balance sheet was approved by the Board of Directors under the responsibility of the following officers."

"The historical balance of the fixed minimum capital stock is $5,000 and the variable is $500 as of December 31, 2022."

SIGNATURE

Luis Alberto Rico González
General Director

SIGNATURE

Berenice Martinez Mendoza
Finance Director

http://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados-financieros.aspx
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Lorenzo Boturini No. 202 1st Floor, Col. Transito, CP 06820, Mexico City

Statement of income

Year ended December 31, 2022

(Thousands of Mexican pesos)

	2022
Commission and fee charged (note 11)	$ 1,760,222
Commission and fee paid (note 11)	(1,270,412)
Income from services, net	489,810
Comprehensive financing margin	63,167
Other operating income (expenses), net	200
Administrative and promotional expenses (notes 11 and 14)	(172,559)
Income before income taxes	380,618
Income taxes (note 10):	
Current income taxes	(93,900)
Deferred income taxes, net	(831)
Net income	285,887
Other Comprehensive Income:	
Remeasurement of defined employee benefits	(48)
Integral income	285,839
Net income attributable to:	
Controlling interest	285,887
Comprehensive income attributable to:	
Controlling interest	285,839

The accompanying explanatory notes are an integral part of this financial statement.

“This statement of income was prepared in accordance with the accounting criteria applicable to the Company, issued by the National Banking and Securities Commision, based on Article 76 of the Law for Mutual Funds, which are of a general and mandatory nature. Accordingly, they reflect all the transactions carried out by the company through the dates indicated above. Furthermore, the transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of income was approved by the Board of Directors under the responsibility of the following officers."

SIGNATURE

Luis Alberto Rico González
General Director

SIGNATURE

Berenice Martinez Mendoza
Finance Director

http://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados-
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Statement of investment portfolio valuation

December 31, 2022

(Thousands of Mexican pesos, except otherwise indicated)

%		Issuer	Series	Type of security	Valuation rate	Rating or marketability	Number of traded securities	Number of settled securities	Total securities of the issuance	Average unit acquisition cost (in pesos)	Total acquisition cost	Fair or accounting value per share (in pesos)	Total fair or accounting accounting value	Days to maturity
	December 31, 2022													
%	**Trading securities:**													
	Investment in net equity instruments													
	Investment funds investing in debt securities													
100.00	Scotia Government S.A. de C.V., F I I D	SCOTIAG	M6	51	0	AAAf/S2	236,130,812	236,130,812	236,130,812	4.220806	$ 996,662	4.220806	$ 996,662	-
%	**Permanent investments in shares:**													
	Investment funds investing in debt securities													
3.759	Finde1, S.A. de C.V., F I I D	FINDE1	A	51	0	AAAf/S3	1,000,000	1,000,000	1,028,055,968	2.438698	2,439	2.438698	2,439	-
2.489	Scotia Deuda Corto Plazo, S.A. de C.V., F I I D	SBANKCP	A	51	0	AAAf/S2	250,000	250,000	3,358,590,634	6.458115	1,615	6.458115	1,615	-
1.541	Scotia Divisas Dólares, S.A. de C.V., F I I D	SBANKDL	A	51	0	AAAf/S5	1,000,000	1,000,000	1,041,187,173	1.000000	1,000	1.000000	1,000	-
1.533	Scotia Deuda Mediano Plazo Fondo de Fondos, S.A. de C.V., F I I D	SBANKMP	A	51	0	AAAf/S4	1,000,000	1,000,000	446,844,846	0.994589	995	0.994589	995	-
1.543	Scotia Deuda Tasa Real, S.A. de C.V., F I I D	SCOT-TR	A	51	0	AAAf/S5	1,000,000	1,000,000	793,424,231	1.000966	1,001	1.000966	1,001	-
3.239	Scotia Sama Deuda Gubernamental S.A. de C.V., F I I D	SCOT200	A	51	0	AAAf/S4	1,000,000	1,000,000	31,539,078	2.101069	2,101	2.101069	2,101	-
2.177	Scotia Deuda Corporativa Mediano Plazo, S.A. de C.V., F I I D	SCOTI10	A	51	0	AAAf/S4	1,000,000	1,000,000	1,745,866,800	1.411992	1,412	1.411992	1,412	-
2.496	Scotia Disponibilidad, S.A. de C.V. F I I D	SCOTIA1	A	51	0	AAAf/S2	1,000,021	1,000,021	13,997,096,523	1.619055	1,619	1.619055	1,619	-
1.983	Scotia Deuda Mediano Plazo, S.A. de C.V. F I I D	SCOTIA2	A	51	0	AAAf/S4	1,000,003	1,000,003	614,857,319	1.286423	1,286	1.286423	1,286	-
4.347	Scotia Deuda Gubernamental Corto Plazo, S.A. de C.V., F I I D	SCOTIAG	A	51	0	AAAf/S2	1,000,007	1,000,007	7,181,711,514	2.820140	2,820	2.820140	2,820	-
2.144	Scotia Previsional de Liquidez Restringida, S.A. de C.V. F I I D	SCOTILP	A	51	0	AAAf/S5	1,000,014	1,000,014	243,391,120	1.390917	1,391	1.390917	1,391	-
2.600	Scotia Deuda Largo Plazo Volatilidad Controlada, S.A. de C.V., F I I D	SCOTIMB	A	51	0	AAAf/S5	1,000,000	1,000,000	509,020,204	1.686468	1,686	1.686468	1,686	-
1.541	Scotia Gubernamental Largo Plazo, S.A. de C.V., F I I D	SCOTLPG	A	51	0	AAAf/S6	1,000,000	1,000,000	499,745,788	1.000000	1,000	1.000000	1,000	-
1.589	Scotia Deuda Gubernamental Tasa Real, S.A. de C.V., F I I D	SCOTUDI	A	51	0	AAAf/S6	1,000,000	1,000,000	364,098,328	1.030918	1,031	1.030918	1,031	-
1.541	SCOTIA Deuda Corporativa Global Peso HEDGED, S.A. de C.V.	SCOTDGH	A	51	0	Af/S7	1,000,000	1,000,000	328,721,118	1.000000	1,000	1.000000	1,000	-
											22,396		22,396	
	Investment funds investing in equities													
1.81	Solución 6, S.A. de C.V., F I R V	FIRMA-E	A	52	0	0	1,000,000	1,000,000	435,309,554	1.000000	1,000	1.176030	1,175	-
3.44	Scotia Perspectiva Crecimiento, S.A. de C.V., F I R V	SCOTMA2	A	52	0	0	1,000,013	1,000,013	332,811,959	2.234718	2,235	2.234718	2,235	-
1.58	Scotia Objetivo 1 S.A. de C.V. F I R V	SCOT-22	A	52	0	0	1,000,000	1,000,000	1,279,180	1.000000	1,000	1.024137	1,024	-
1.66	Scotia Objetivo 2 S.A. de C.V. F I R V	SCOT-29	A	52	0	0	1,000,000	1,000,000	409,683,569	1.000000	1,000	1.075063	1,075	-
1.73	Scotia Objetivo 3 S.A. de C.V. F I R V	SCOT-36	A	52	0	0	1,000,000	1,000,000	432,148,107	1.000000	1,000	1.119758	1,120	-
1.76	Scotia Objetivo 4 S.A. de C.V. F I R V	SCOT-43	A	52	0	0	1,000,000	1,000,000	419,974,010	1.000000	1,000	1.142953	1,143	-
1.78	Scotia Objetivo 5 S.A. de C.V. F I R V	SCOT-50	A	52	0	0	1,000,000	1,000,000	365,860,335	1.000000	1,000	1.157020	1,157	-
1.54	Scotia Sama Renta Variable, S.A. de C.V., F I R V	SCOT100	A	52	0	0	1,000,000	1,000,000	288,006,411	1.000000	1,000	1.000000	1,000	-
1.61	Scotia Fibras, S.A. de C.V., F I R V	SCOT-FR	A	52	0	0	1,000,000	1,000,000	151,208,467	1.047596	1,048	1.047596	1,048	-
1.79	Scotia Especializado Deuda Moneda Extranjera, S.A. de C.V., F I R V	SCOT-FX	A	52	0	0	62,501	62,501	46,209,913	18.571864	1,161	18.571864	1,161	-
3.25	Scotia Acciones Mexico, S.A. de C.V., F I R V	SCOT-RV	A	52	0	0	729,928	729,928	314,003,623	2.886791	2,107	2.886791	2,107	-
2.42	Scotia Especializado Deuda Dólares, S.A. de C.V., F I R V	SCOTDOL	A	52	0	0	980,393	980,393	2,809,639,699	1.600275	1,569	1.600275	1,569	-
1.94	Scotia Diversificado, S.A. de C.V., F I R V	FIRMA-D	A	52	0	0	80,646	80,646	30,420,845	14.346651	1,157	15.567543	1,255	-
1.54	Scotia Acciones Europa, S.A. de C.V., F I R V	SCOTEUR	A	52	0	0	1,000,000	1,000,000	719,466,816	1.000000	1,000	1.000000	1,000	-
1.54	Scotia Acciones Globales Volatidad Controlada, S.A. de C.V., F I R V	SCOTGLO	A	52	0	0	1,000,000	1,000,000	1,905,389,177	1.000001	1,000	1.000001	1,000	-
2.35	Scotia Perspectiva Patrimonial, S.A. de C.V., F I R V	SCOTDVC	A	52	0	0	1,000,000	1,000,000	433,868,040	1.525722	1,526	1.525722	1,526	-
2.75	Scotia Perspectiva Balanceada, S.A. de C.V., F I R V	SCOTMA1	A	52	0	0	1,000,000	1,000,000	1,035,212,213	1.781064	1,781	1.781064	1,781	-
11.43	Scotia Acciones Oportunidades Globales, S.A. de C.V., F I R V	SCOTGL+	A	52	0	0	1,000,000	1,000,000	395,340,364	7.418162	7,418	7.418162	7,418	-
1.61	Scotia Balanceado Volatilidad Controlada, S.A. de C.V., F I R V	SCOTMA3	A	52	0	0	1,000,000	1,000,000	476,625,343	1.044286	1,044	1.044286	1,044	-
3.99	Scotia Acciones Estados Unidos, S.A. de C.V., F I R V	SCOTUSA	A	52	0	0	370,371	370,371	914,827,663	6.995951	2,591	6.995951	2,591	-
1.55	Scotia Estrategia 3, S.A. de C.V., F I R V	SCOT-03	A	52	0	0	1,000,000	1,000,000	1,368,858,221	1.000000	1,000	1.002904	1,003	-
1.54	Scotia Estrategia 4, S.A. de C.V., F I R V	SCOT-04	A	52	0	0	1,000,000	1,000,000	1,000,000	1.000000	1,000	1.000000	1,000	-
1.61	Estrategia 6, S.A. de C.V., F I R V	MG-INTL	A	52	0	0	1,000,000	1,000,000	977,068,387	1.000000	1,000	1.043805	1,044	-
1.54	Scotia Especializado Deuda Dólares Plus, S.A. de C.V. F I R V	SCOTDL+	A	52	0	0	1,000,000	1,000,000	3,192,165,971	1.000000	1,000	1.000629	1,001	-
1.54	Scotia Acciones Cánada, S.A. DE C.V.	SCOTCAN	A	52	0	0	1,000,000	1,000,000	1,539,930,783	1.000000	1,000	1.000000	1,000	-
1.54	Scotia Especializado Deuda Internacional Peso HEDGED, S.A. de C.V.	SCOTDIH	A	52	0	0	1,000,000	1,000,000	326,533,493	1.000000	1,000	1.000000	1,000	-
1.54	Scotia Portafolio Patrimonial, S.A. de C.V.	SCOTPAT	A	52	0	0	1,000,000	1,000,000	1,000,061	1.000000	1,000	1.000000	1,000	-
1.54	Scotia Portafolio Balanceado, S.A. de C.V.	SCOTBAL	A	52	0	0	1,000,000	1,000,000	1,000,049	1.000000	1,000	1.000000	1,000	-
1.54	Scotia Portafolio Crecimiento, S.A. de C.V.	SCOTCRE	A	52	0	0	1,000,000	1,000,000	1,020,014	1.000000	1,000	1.000000	1,000	-
											41,637		42,477	
	Totals:										$ 64,033		$ 64,873	

The accompanying explanatory notes are an integral part of this financial statement.

"This statement of investment portfolio valuation was prepared in accordance with the accounting criteria applicable to the Company, issued by the National Banking and Securities Commision, based on Article 76 of the Law for Mutual Funds, which are of a general and mandatory nature. Accordingly, they reflect all the transactions carried out by the company through the dates indicated above. Furthermore, the transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of investment portfolio valuation was approved by the Board of Directors under the responsibility of the following officers

SIGNATURE

Luis Alberto Rico González
General Director

SIGNATURE

Berenice Martinez Mendoza
Finance Director

http://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados-financieros.aspx
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Lorenzo Boturini No. 202 1st Floor, Col. Transito, CP 06820, Mexico City

Statement of changes in stockholders' equity

Year ended December 31, 2022

(Thousands of Mexican pesos)

		Paid-in capital	Earned capital				
		Capital stock	**Statutory reserves**	**Reslts accumulated**	**Remeasurements of defined employee benefits**	**Total Stake Controller**	**Total stockholders' equity**
Balances as of December 31, 2021	$	2,586	517	784,576	(132)	787,547	787,547
Inherent movements of decisions of the stockholders:							
Capitalization other concepts of stockholders' equity (note 9a)		3,500	-	(3,500)	-	-	-
Movements inherent to the recognition of the integral utility:							
Net income		-	-	285,887	-	285,887	285,887
Remeasurement of defined benefits to employees, net of deferred taxes		-	-	-	(48)	(48)	(48)
Balances as of December 31, 2022	$	6,086	517	1,066,963	(180)	1,073,386	1,073,386

The accompanying explanatory notes are an integral part of this financial statement.

"This statement of changes in stockholders' equity was prepared in accordance with the accounting criteria applicable to the Company, issued by the National Banking and Securities Commision, based on Article 76 of the Law for Mutual Funds, which are of a general and mandatory nature. Accordingly, they reflect all the transactions carried out by the company through the dates indicated above. Furthermore, the transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of changes in stockholders' equity was approved by the Board of Directors under the responsibility of the following officers."

SIGNATURE	SIGNATURE
Luis Alberto Rico González	Berenice Martinez Mendoza
General Director	Finance Director

http://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados-financieros.aspx
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Lorenzo Boturini No. 202 1st Floor, Col. Transito, CP 06820, Mexico City

Statement of cash flows

Year ended December 31, 2022

(Thousands of Mexican pesos)

		2022
Operating activities:		
Income before income taxes	$	380,618
Adjustments for items associated with investing activities:		
Other adjustments for items associated with investing activities		(57,741)
Addition		322,877
Changes in operating items:		
Change in investments in financial instruments (securities), net		(269,704)
Change in other accounts receivable and prepayments, net		20,288
Change in assets/liabilities for employee benefits		1,827
Change in other provisions		42,370
Change in other accounts payable		(21,580)
Income tax payments		(92,566)
Net cash flows from operating activities		3,512
Investing activities:		
Payments for acquisition of associates, joint ventures and other permanent investments		(3,000)
Net cash flows from investing activities		(3,000)
Net increase in cash and cash equivalents		512
Cash and cash equivalents at the beginning of the period		20
Cash and cash equivalents at the end of the perioc	$	532

The accompanying explanatory notes are an integral part of this financial statement.

“This statement of cash flows was prepared in accordance with the accounting criteria applicable to the Company, issued by the National Banking and Securities Commision, based on Article 76 of the Law for Mutual Funds, which are of a general and mandatory nature. Accordingly, they reflect all the transactions carried out by the company through the dates indicated above. Furthermore, the transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of cash flows was approved by the Board of Directors under the responsibility of the following officers."

SIGNATURE

Luis Alberto Rico González
General Director

SIGNATURE

Berenice Martinez Mendoza
Finance Director

http://www.scotiabank.com.mx/es-mx/Acerca-de-Scotiabank/Relacion-con-Inversionistas/Relaciones-con-Inversionistas/estados
financieros.aspx
www.cnbv.gob.mx/Paginas/default.aspx

This financial statement has been translated from the Spanish language original solely for the convenience of foreign/English-speaking readers.

(1) Description of business

Scotia Fondos, S.A. de C.V., Sociedad Operadora de Fondos de Inversión, Grupo Financiero Scotiabank Inverlat ("the Management Company"), is a fund management company constituted under the Mexican laws located in Lorenzo Boturini No. 202, Col. Transito, CP 06820, Mexico City, that began operations on December 5, 2001 and is engaged in providing administrative services, distribution, valuation, promotional and management services to the investment funds. The Management Company is a subsidiary of Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (Grupo Financiero Scotiabank) with whom it performs some of the operations described in note 11 and who owns 99.99% of its capital stock.

In accordance with the Mutual Funds Law the Management Company acts as Founding Partner and Mutual Fund Management Company of the Scotiabank Mutual Funds, which are indicated below. In accordance whit this law, the Mutual Funds do not have Stockholders' Meetings, Board of Directors or Statutory Auditor, therefore such functions are conferred on the Founding Partner and the Management Company of Mutual Funds, as well as members of the Board of Directors of the Management Company.

The Management Company obtained 99% of its fee and commission income for 2022, from the Scotiabank Mutual Funds, in which acts as Founding Partner and Management company and are listed below (note 11):

Mutual funds investing in debt instruments:

- Finde 1, S. A. de C. V., (FINDE1)
- Scotia Deuda Corto Plazo, S. A. de C. V., (SBANKCP)
- Scotia Divisas Dólares, S. A. de C. V., (SBANKDL)
- Scotia Deuda Mediano Plazo Fondo de Fondos, S. A. de C. V., (SBANKMP)
- Scotia Deuda Tasa Real, S. A. de C. V., (SCOT-TR)
- Scotia Sama Deuda Gubernamental, S. A. de C. V., (SCOT200)
- Scotia Deuda Corporativa Mediano Plazo, S. A. de C. V., (SCOTI10)
- Scotia Disponibilidad, S. A. de C. V., (SCOTIA1)
- Scotia Deuda Mediano Plazo, S. A. de C. V., (SCOTIA2)
- Scotia Deuda Gubernamental Corto Plazo, S. A. de C. V., (SCOTIAG)
- Scotia Previsional de Liquidez Restringida, S. A. de C. V., (SCOTILP)
- Scotia Deuda Largo Plazo Volatilidad Controlada, S. A. de C. V., (SCOTIMB)
- Scotia Gubernamental Largo Plazo, S. A. de C. V., (SCOTLPG)
- Scotia Deuda Gubernamental Tasa Real, S. A. de C. V., (SCOTUDI)
- Scotia Deuda Corporativa Global Peso Hedged, S. A. de C. V., (SCOTDGH)

(Continued)

Mutual funds investing in equities:

- Solución 6, S.A. de C.V., (FIRMA-E) (previously Scotia Solución 6, S.A. de C.V.) (2)
- Scotia Perspectiva Crecimiento, S.A. de C.V, (SCOTMA2), (previously SBANK50) (2)
- Scotia Objetivo 1, S.A. de C.V., (SCOT-22)
- Scotia Objetivo 2, S.A. de C.V., (SCOT-29)
- Scotia Objetivo 3, S.A. de C.V., (SCOT-36)
- Scotia Objetivo 4, S.A. de C.V., (SCOT-43)
- Scotia Objetivo 5, S.A. de C.V., (SCOT-50)
- Scotia Sama Renta Variable, S.A. de C.V., (SCOT100)
- Scotia Fibras, S.A. de C.V., (SCOT-FR)
- Scotia Especializado Deuda Moneda Extranjera, S. A. de C. V., (SCOT-FX)
- Scotia Acciones México, S. A. de C. V., (SCOT-RV)
- Scotia Especializado Deuda Dólares, S. A. de C. V., (SCOTDOL)
- Scotia Diversificado, S. A. de C. V. (FIRMA-D)
- Scotia Acciones Europa, S. A. de C. V., (SCOTEUR)
- Scotia Acciones Globales Volatilidad Controlada, S. A. de C. V., (SCOTGLO)
- Scotia Perspectiva Patrimonial, S. A. de C. V., (SCOTDVC), (previously SCOTI12) (2)
- Scotia Perspectiva Balanceada, S. A. de C. V., (SCOTMA1), (previously SCOTI14) (2)
- Scotia Acciones Oportunidades Globales, S. A. de C. V., (SCOTGL+)
- Scotia Balanceado Volatilidad Controlada, S. A. de C. V. (SCOTMA3), (previously SCOTQNT) (2)
- Scotia Acciones Estados Unidos, S. A. de C. V., (SCOTUSA)
- Scotia Estrategia 3, S. A. de C. V., (SCOT-03)
- Scotia Estrategia 4, S. A. de C. V., (SCOT-04)
- Estrategia 6, S. A. de C. V., (MG-INTL) (previously Scotia Estrategia 6, S.A. de C.V.) (2)
- Scotia Especializado Deuda Dólares Plus, S. A. de C. V., (SCOTDL+)
- Scotia Acciones Canadá, S. A. de C. V., (SCOTCAN)
- Scotia Especializado Deuda Internacional Peso Hedged, S. A. de C. V., (SCOTDIH)
- Scotia Portafolio Patrimonial, S. A. de C. V. (SCOTPAT) (1)
- Scotia Portafolio Balanceado, S. A. de C. V (SCOTBAL) (1)
- Scotia Portafolio Crecimiento, S. A. de C. V. (SCOTCRE) (1)

(1) Mutual funds constituted in 2022.
(2) Mutual funds with change in a name or ticker symbol in 2022.

(Continued)

(2) Authorization and basis of presentation

Authorization

On March 17, 2023, Luis Alberto Rico González (General Director of the Management Company) and Berenice Martínez Mendoza (Financial Director), authorized the issuance of the accompanying financial statements and related notes.

The stockholders and the National Banking and Securities Commission (the Banking Commission) are empowered to modify the financial statements after issuance. The accompanying financial statements will be submitted to the next Stockholders' Meeting for approval.

Basis of presentation

(a) Statement of compliance

The accompanying financial statements of the Management Company were prepared in accordance with the Accounting Criteria for investment fund management companies in Mexico (the Accounting Criteria), issued by the Banking Commission, which is in charge of inspecting and monitoring the investment fund management companies, and reviews their financial information and other information that the Management Company periodically submits for review.

The Accounting Criteria provide that the Banking Commission will issue particular rules for specialized operations and that in the absence of express accounting criteria of the Banking Commission for investment fund management companies and secondly for credit institutions, and in a broader context of the Mexican Financial Reporting Standards (MFRS), the supplementary process established in MFRS A-8 will be observed, and only in the event that the International Financial Reporting Standards (IFRS) referred to in MFRS A-8, do not provide a solution to the accounting recognition, a supplementary rule that belongs to any other regulatory scheme may be chosen, provided that it meets all the requirements indicated in the aforementioned MFRS, and the supplementation must be applied in the following order: Generally Accepted Accounting Principles in the United States of America (US GAAP) and then any accounting standard that is part of a formal and recognized set of standards, as long as it meets the requirements of the Banking Commission's A-4 accounting criteria.

(b) Comparative financial information

On December 30, 2021, the resolution that modifies the General Provisions applicable to Investment Funds and the people who provide services to them (the Provisions) was published in the Official Gazette, which establishes that the investment fund management companies recognize the effect of accounting changes arising from said resolution on retained earnings, without reformulating the financial statements for years prior to January 1, 2022, and that the basic financial statements as of and for the year ended December 31 of 2021, don't show up.

(Continued)

(c) Use of estimates and judgments

The preparation of the financial statements requires that Management make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of income and expenses during the exercise. Actual results may differ from these estimates and assumptions.

Judgments and assumptions and uncertainties in estimates

The information on judgments made in the application of accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in note 3 to the financial statements.

Assumptions and uncertainties in estimates

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year is included in the following notes:

— Measurement of defined benefit obligations: key actuarial assumptions (see note 3i)
— Recognition of deferred tax assets: availability of future taxable profits against which carryforward tax losses can be used (see note 3h)

(d) Determination of fair value

Certain captions in the Management Company's financial statements have been recorded at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the date regardless of whether that price is observable or estimated directly using another valuation technique. When estimating the fair value of an asset or a liability, the Management Company takes in consideration the characteristics of the asset or liability, if market participants would take those characteristics when setting the price of the asset or liability on the measurement date. For financial reporting purposes, fair value measurements are classified as Level 1, 2, or 3 based on the degree to which the inputs to the measurements are observable and their significance in determining fair value as a whole, which are described below.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities, which corresponds to the highest level, corresponding to prices obtained exclusively with Level 1 input data.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., from prices) that correspond to prices. obtained with level 2 input data.
Level 3: data or inputs to measure the asset or liability that are not based on observable market data (unobservable input data), which corresponds to the lowest level, for those previously obtained with level 3 input data.

(Continued)

The following notes include additional information about the assumptions made in measuring fair values:

– Note 5, Cash and cash equivalents.

(e) Functional and reporting currency

The aforementioned financial statements are presented in the reporting currency of Mexican peso, which is the same as the recording currency and its functional currency.

For disclosure purposes in the notes to the financial statements, when reference is made to pesos or "$", it refers to thousands of Mexican pesos.

(f) Presentation of comprehensive income

In compliance with accounting criteria D-3 "Statement of Comprehensive Income" established by the Banking Commission, the Management Company presents the comprehensive result in a single statement that presents in a single document all the items that make up the net result, increased or decreased by the Other Comprehensive Income (OCI) for the period and is called "Statement of Comprehensive Income".

(3) Summary of significant accounting policies

The accounting policies shown below have been consistently applied in the preparation of the financial statements presented, except for what is indicated in note 4, which includes changes recognized during the year.

(a) Recognition of the effects of inflation

The accompanying financial statements were prepared in accordance with the Accounting Criteria, which, due to the fact that the Management Company operates in a non-inflationary economic environment, include the recognition of the effects of inflation in the financial information until December 31, 2007 based on Investment Units (UDI for its acronym in Spanish).

The year ended December 31, 2022 is considered a non-inflationary economic environment (accumulated inflation of the three previous years less than 26%), in accordance with the provisions of MFRS B-10 "Effects of inflation"; consequently, the effects of inflation are not recognized in the Management Company's financial information.

(Continued)

(Thousands of Mexican pesos, except UDI value)

In the event of being in an inflationary environment again, the cumulative effects of inflation not recognized in the periods in which the environment was classified as non-inflationary must be recorded retrospectively. The accumulated inflation percentage for the three previous years and the indices used to recognize inflation are shown below:

		Inflation	
December 31	**UDI**	**Annual**	**Accumulated**
2022	7.6468	7.58%	19.50%
2021	7.1082	7.61%	14.16%
2020	6.6056	3.23%	11.31%

(b) Cash and cash equivalents

This item is made up of cash and deposits in bank accounts in national currency. For cash, initial recognition and subsequent valuation is at fair value, which is its face value and subject to insignificant risks.

(c) Investments in financial instruments

i. Recognition and initial measurement

Investments in financial instruments comprise shares of investment funds, which are classified based on the business model as negotiable financial instruments. They are initially measured and recognized at their fair value plus, in the case of financial assets or liabilities not measured at fair value with changes in it, carried through comprehensive income, the transaction costs directly attributable to their acquisition or issue, when in thereafter are measured at their amortized cost.

ii. Classification and subsequent measurement

At initial recognition, investments in financial instruments are classified in the following category, according to the business model and the characteristics of their contractual flows, such as:

— Negotiable financial instruments (NFI), measured at fair value through profit or loss (FVPL) that represent the investment in debt or equity financial instruments, and whose objective is to obtain a profit between the purchase price and the sale price.

(Continued)

The classification of investments in financial instruments is based both on the business model and on the characteristics of their contractual flows. Based on the business model, a financial instrument or a class of financial instruments (a portfolio) can be managed under:

- A model that seeks to recover contractual flows (represented by the amount of principal and interest)

- A business model that seeks both the recovery of contractual flows as in the previous model, as well as obtaining a profit through the sale of financial instruments, which leads to displacing a combined management model for these financial instruments.

- A model that seeks to obtain maximum performance through the purchase and sale of financial instruments.

Financial instruments are not reclassified after their initial recognition, except if the Management Company changes its business model, in which case all affected financial instruments are reclassified to the new category in the segment in which the change in business model has occurred.

The reclassification of investments in financial instruments between categories is applied prospectively from the date of change in the business model, without modifying any previously recognized profit or loss, such as interest or impairment losses.

When any reclassification is made in accordance with the aforementioned, the Management Company must inform the Commission of this fact in writing within 10 business days following its determination, detailing the change in the business model that justifies them. Said change must be authorized by the Risk Committee of the Management Company.

During the year ended December 31, 2022, the Management Company did not carry out transfers between categories.

A financial instrument is measured at amortized cost if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

- the financial instrument is kept within a business model whose objective is to maintain the financial instruments to obtain the recovery of the contractual cash flows;

- the contractual terms of the financial instrument give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (Only Payment of Principal and Interest, or SPPI for its acronym)

(Continued)

An investment in a debt instrument is measured at fair value through other comprehensive income (OCI) if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

- the financial asset is held within a business model whose objective is achieved both by obtaining the contractual cash flows and by selling the financial assets;

- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (SPPI).

All financial instruments not classified as means at amortized cost or at fair value through other comprehensive income (OCI) as described, are measured at fair value through profit or loss.

Financial instruments: Evaluation of the business model

The Management Company carries out an evaluation of the objective of the business model in which a financial instrument is maintained at the portfolio level, since this is what best reflects the way in which the business is managed, and the information is delivered to the Administration. The information considered includes:

- the policies and objectives set for the portfolio and the operation of those policies in practice. These include whether Management's strategy is focused on collecting contractual interest income, maintaining a specific interest rate profile or coordinating the duration of financial instruments with that of the liabilities that said instruments are financing or expected cash outflows, or realize cash flows through the sale of the instruments;

- how the performance of the portfolio is evaluated and how it is reported to the Management of the Management Company;

- the risks that affect the performance of the business model (and the financial instruments held in the business model) and, in particular, the way in which those risks are managed;

- how the managers of the business are compensated (for example, if the compensation is based on the fair value of the instruments managed or on the contractual cash flows obtained); and

- the frequency, volume, and timing of sales in prior periods, the reasons for those sales, and expectations about future sales activity.

(Continued)

Transfers of financial instruments to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the continuous recognition of the instruments by the Management Company.

Financial instruments that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial instruments: Evaluation of whether the contractual cash flows are only payments of principal and interest (SPPI).

For purposes of this assessment, the amount of “principal” is defined as the fair value of the financial instrument at the time of initial recognition. "Interest" is defined as consideration for the time value of money and credit risk associated with the principal amount outstanding, over a specified period of time, and for other basic risks and costs of borrowing (for example, the liquidity risk and administrative costs), as well as a profit margin.

When evaluating whether the contractual cash flows are only principal and interest payments (SPPI), the Management Company considers the contractual terms of the instrument. This includes evaluating whether a financial instrument contains a contractual condition that could change the timing or amount of the contractual cash flows in such a way that it would not meet this condition.

When making this evaluation: the Management Company takes in consideration:

- contingent events that would change the amount or timing of cash flows;
- terms that could generate leverage;
- terms that refer to the time value of money, such as adjusting the coupon rate, including variable rate features;
- terms that generate implicit derivative instruments, or changes in their terms and conditions, by indexing to variables unrelated to the nature of the contract;
- prepayment and extension features; and
- terms that limit the Management Company's right to cash flows from specific instruments (for example, "non-recourse" features).

(Continued)

A prepayment feature is consistent with the principal and interest payment only criterion if the prepayment amount substantially represents the unpaid amounts of principal and interest on the principal amount, which may include reasonable additional compensation for the early termination of the contract. Additionally, in the case of a financial instrument acquired at a significant discount or premium to its contractual face amount, a feature that allows or requires the advance payment of an amount that substantially represents the contractual face amount plus accrued contractual interest (but not paid) (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the early payment feature is insignificant on initial recognition.

Financial Instruments: Subsequent Measurement and Gains and Losses

Negotiable financial instruments (NFI)	Subsequently, and on each reporting date, the securities are valued at fair value provided by an independent price vendor; the effects of valuation and the results of purchases and sales are recognized in the results of the year, under the caption “Comprehensive financing margin”. When the securities are disposed of, the result from the sale is determined from the differential between the purchase price and the sale price, and the result from the valuation that has been previously recognized in the results of the year must be reclassified to the gain and losses result in that caption. Accrued interest on debt securities is determined using the effective interest method and is recognized in the results of the year under the “Comprehensive financing margin” caption. Dividends from equity instruments in favor are recognized in the results of the year, at the moment in which the right to receive their payment is generated under the caption "Comprehensive financing margin".

iii. Cancel in accounts

The Management Company derecognizes a financial instrument when the contractual rights to the cash flows of the financial instrument expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards are transferred of ownership of the financial instrument, or in which the Management Company does not transfer or retain substantially all the risks and rewards related to ownership and does not retain control over the financial instruments.

The Management Company participates in transactions in which it transfers the instruments recognized in its statement of financial position but retains all or substantially all the risks and rewards of the transferred financial instruments. In these cases, the transferred financial instruments are not derecognized.

(Continued)

iv. Impairment

NFIs are not subject to impairment tests since the question of collectability does not arise in these as there is no collection intention and because their market value generally captures the effects of expected credit losses.

Operations at value date

The acquired securities that are agreed to be settled at a later date up to a maximum period of four business days following the concentration of the purchase and sale operation, are recognized as restricted securities, while the sold securities are recognized as securities to be delivered, reducing the investments in values. The counterparty must be a settlement, creditor or debtor account, as appropriate. When the amount of securities to be delivered exceeds the balance of titles in own position of the same nature (government, banking, stock and other debt securities), it is presented as a liability under the caption "Assigned securities to be settled".

(d) Accounts receivable

It is made up of other debtors and balances in favor of creditable taxes.

Estimate for unrecoverability or difficult collection

The Management Company makes an estimate for irrecoverability or difficult collection for accounts receivable as indicated below:

Origin of the account receivable	**Criteria for recognition of the estimate for unrecoverability or difficult collection**
Other miscellaneous accounts receivable agreed from its origin.	The Management determines a degree of unrecoverability based on its experience of past credit losses, current changes in the behavior of its clients and future economic forecasts, for which it classifies its accounts receivable by degree of payment arrears and assigns different ECL amounts to each of the segments of your accounts receivable.
Other accounts receivable different from the previous ones from unidentified debtors with 60 days or more of having been registered.	An estimate is made for the total amount.

(Continued)

No estimate for unrecoverability or difficult collection is recognized on tax balances in favor or for creditable Value Added Tax (VAT).

(e) Permanent investments

Permanent investments in Series "A" shares of investment funds are initially recorded at their acquisition cost and valued at net book value by the equity method, which is equivalent to their fair value, which consists of recognize the proportional part, after the purchase, of the results of the year and of other stockholders' equity accounts reported in the financial statements of the issuing companies, under the caption "Participation in subsidiaries unconsolidated and associated."

In the event that the permanent investment in a subsidiary, associate or joint venture is converted into another permanent investment, given that the ownership percentage is diluted as a result of changes in the ownership ratio and results in it not being maintained significant influence or control, its acquisition cost must be the fair value based on the equity method determined at the conversion date.

These investments are not consolidated, since the administrative control exercised by the Management Company obeys a legal requirement to represent the investment funds in legal acts that are required.

In the event that there are dividends from said investments, they are recognized in results under the caption “Other operating income (expense), net”.

(f) Prepayments and other assets

Other assets include mainly insurance prepayments and licenses to be amortized.

Prepayments are recognized for the equivalent of the amount paid, as long as the Management Company estimates that there will be a future economic benefit. At the time of receiving the services, the amount related to the advance payments made to recognize said service is recognized as an expense in results.

Deferred ESPS assets are recorded under other assets.

(g) Provisions

The Management Company recognizes, based on management estimates, liability provisions for those present obligations in which the transfer of assets or the rendering of services is probable is virtually unavoidable and arises as a consequence of past events.

(h) Income taxes and employee profit sharing (ESPS)

The income tax and current ESPS in the year are determined in accordance with current tax and labor provisions.

(Continued)

The tax caused is presented in the statement of financial position as a liability; when the advances made exceed the tax determined for the year, the excess generated constitutes an account receivable.

Deferred income taxes and deferred ESPS are recorded according to the asset and liability method, which compares their book and tax values. Deferred income tax and ESPS (assets and liabilities) are recognized for future tax consequences attributable to temporary differences between the values reflected in the financial statements of existing assets and liabilities and their relative tax bases, and for tax losses to be amortized. Deferred income tax and ESPS assets and liabilities are calculated using the rates established in the corresponding law, which will be applied to taxable income in the years in which it is estimated that the temporary differences will be reversed. The effect of changes in rates on deferred income tax and ESPS is recognized in the results of the period in which said changes are approved.

The asset or liability for income tax and deferred ESPS that is determined by the deductible or cumulative temporary differences of the period, is presented within the statement of financial position. Deferred ESPS is recorded under other assets.

The asset for deferred income tax and ESPS is evaluated periodically, creating, where appropriate, a valuation reserve for those temporary differences for which there could be an uncertain recovery.

Current and deferred income taxes are presented and classified in the results of the period, except those originating from a transaction that is recognized in Other Comprehensive Income (OCI).

The expense for caused and deferred ESPS is presented under the caption “Administration and promotion expenses”, in the statement of comprehensive income. The deferred ESPS asset is recorded under the caption “Prepayments and other assets.”

(i) Employees’ benefits

Short-term direct benefits

Short-term direct employee benefits are recognized in the results of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Management Company has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

Long-term direct benefits

The net obligation of the Management Company in relation to the long-term direct benefits and that the Management Company is expected to pay after twelve months from the date of the most recent statement of financial position presented, is the amount of future benefits that the employees have obtained in exchange for their service in the current and previous years. This benefit is discounted to determine its present value. Remeasurements are recognized in income in the period in which they accrue.

(Continued)

Termination benefits

A liability for termination benefits and a cost or expense is recognized when the Management Company has no realistic alternative other than to face the payments or cannot withdraw the offer of those benefits, or when it meets the conditions to recognize the costs of a restructuring. The thing that happens first. If they are not expected to be settled within 12 months after the end of the year, then they are discounted.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognized in results as the related services are rendered by the employees. Contributions paid in advance are recognized as an asset to the extent that the advance payment results in a reduction in future payments or a cash refund.

Defined benefit plans

The Management Company's net obligation corresponding to the defined benefit plans for retirement pensions, post-retirement medical expenses, life insurance, seniority premiums and legal compensation, is calculated separately for each plan, estimating the amount of the future benefits that employees have earned in the current fiscal year and in previous fiscal years, discounting said amount.

For all plans, irrevocable trusts have been established in which the assets of the funds are managed.

The calculation of the obligations for the defined benefit plans is made annually by actuaries, using the projected unit credit method. When the calculation results in a potential asset for the Management Company, the recognized asset is limited to the present value of the economic benefits available in the form of future reimbursements from the plan or reductions in future contributions to the plan. To calculate the present value of the economic benefits, any minimum financing requirements must be considered.

The labor cost of the current service, which represents the cost of the benefit period to the employee for having completed one more year of working life based on the benefit plans, is recognized in operating expenses. The Management Company determines the net interest expense (income) over the net liability (asset) for defined benefits for the period, multiplying the discount rate used to measure the defined benefit obligation by the net liability (asset) defined at the beginning of the annual period reported, taking into account changes in the net defined benefit liability (asset) during the period as a result of estimates of contributions and benefit payments.

Modifications to the plans that affect the cost of past services are recognized in the results immediately in the year in which the modification occurs, with no possibility of deferral in subsequent years. Likewise, the effects of liquidation events or reduction of obligations in the period, which significantly reduce the cost of future services and/or significantly reduce the population subject to benefits, respectively, are recognized in the results of the period.

(Continued)

Remeasurements (formerly actuarial gains and losses), resulting from differences between the projected and actual actuarial hypotheses at the end of the period, are recognized in the period in which they are incurred as part of comprehensive income under the heading "Remeasurement of defined benefits to employees" and is subsequently recycled to the results of the period, based on the average remaining working life of the employees.

(j) Recognition of income and expenses

The Management Company's income corresponds mainly to the commissions collected for administration fees derived from the services provided to the investment funds, which are recorded in results as said services are provided under the caption "Commission and fee income".

The returns generated by investments in financial instruments in financial entities are recognized in the results of the year as they accrue in the comprehensive financing margin.

The income and expenses derived from administrative services are recorded as they accrue, in accordance with the contracts entered into with its customers and suppliers.

(k) Memorandum accounts

Memorandum accounts correspond mainly to assets in custody or administration.

Securities owned by clients that are held in custody and administration are reflected in the respective memorandum accounts at their fair value, thus representing the maximum expected amount for which the Management Company would be obliged to respond to its clients.

Other registration accounts correspond to other accounts that the Management Company deems necessary to facilitate the accounting record or control to comply with the applicable legal provisions.

(l) Contingencies

Obligations or significant losses related to contingencies are recognized when it is probable that their effects will materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, their disclosure is included qualitatively in the notes to the financial statements. The income, profits or contingent assets are recognized until the moment in which there is absolute certainty of their realization.

(Continued)

(4) Accounting changes

Accounting criteria issued by the Commission

Amendments to the General Provisions applicable to Investment Fund Management Companies and the people who provide them with services

On December 30, 2021, the resolution amending the General Provisions applicable to Investment Fund Management Companies and the people who provide them with services was published in the DOF, in which the modifications indicated below are presented:

The accounting criteria are modified as follows:

Series B. Criteria related to the concepts that make up the financial statements		
B-1 Availabilities	B-1 Cash and cash equivalents	The name of the item and the accounting criteria are changed. The definition of Investments available for hearing is added, considering a maturity period of 48 hours from their acquisition.
Series D. Criteria related to the basic financial statements		
D-1 Investment portfolio valuation statement	D-1 Investment portfolio valuation statement	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-2 Balance Sheet	D-2 Statement of financial position	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-3 Income statement	D-3 Statement of comprehensive income	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-4 Statement of changes in stockholders' equity	D-4 Statement of changes in stockholders' equity	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.
D-5 Statement of cash flows	D-5 Statement of cash flows	Change of the name of the financial statement and the presentation, including the changes in the names of the items according to the new accounting criteria.

Entry into force of the FRS issued by the CINIF in the year 2022

On November 9, 2020, the Ministry of Finance and Public Credit (SHCP) announced through the Official Gazette of the Federation (DOF) the resolution that modifies the general provisions applicable to investment funds and to persons who they provide services, published in the DOF on January 4, 2018 and November 15, 2018; These modifications consider the entry into force on January 1, 2022, of the FRS, issued by the CINIF and referred to in paragraph 3 of Criterion A-2 "Application of particular standards" of Annex 6 that is modified by this instrument.

(Continued)

Below is a summary of the FRS adopted:

FRS B-17 "Determination of fair value",

FRS C-3 "Accounts receivable",

FRS C-9 "Provisions, contingencies and commitments",

FRS C-16 "Impairment of financial instruments receivable",

FRS C-19 "Financial instruments payable",

FRS C-20 "Financial instruments to collect principal and interest",

FRS D-1 "Income from contracts with customers" and

FRS D-2 "Costs for contracts with customers"

The financial statements were not impacted by the entry into force of these standards.

(5) Financial instruments

As of December 31, 2022, financial instruments classified as negotiable amount to $996,662 (see details in the Statement of Investment Portfolio Valuation).

The net result for the purchase and sale of securities for the year ended December 31, 2022, amounted to $49,101 and the valuation at fair value of the investments in securities as of December 31, 2022 was $14,066. These amounts are included in the statement of comprehensive income under the “Comprehensive financing margin” caption.

As of December 31, 2022, the fair value hierarchy of negotiable financial instruments is level 1.

As of December 31, 2022, there are no restrictions on negotiable financial instruments, and they have not been granted as collateral.

During the year ended December 31, 2022, the Management Company did not transfer titles between categories, nor did it recognize impairment effects, nor did it review it.

The investments in securities that the Management Company owns as of December 31, 2022 correspond to shares issued by Scotia Deuda Gubernamental Corto Plazo, S.A de CV, Fondo de Inversión en Instrumentos de Deuda (SCOTIAG), which maintains a classification, according to the criteria established by the Banking Commission, short-term and in government titles, as well as a duration of no more than 365 days, and with a settlement term on the same day for purchases and sales.

(Continued)

(Thousands of Mexican pesos)

SCOTIAG was rated AAAf/S2 in 2022 by Fitch México, S.A. de C.V., said rating refers to "Outstanding" in terms of the level of security of the fund, which is derived from the evaluation of factors that primarily include: quality and diversification of portfolio assets, management strengths and weaknesses, as well as operating capacity (AAAf); and (S2) or "Low" in terms of sensitivity to changes in market conditions.

(6) Accounts receivable

As of December 31, 2022, the balance of accounts receivable is integrated as follows:

		2022
Accounts receivable from related parties (note 11)	$	169,784
Recoverable IT		742
Value added tax receivable		11,602
Co-distribution and management services		271
Others		796
		183,195
Allowance for doubtful accounts		(1,571)
	$	**181,624**

(7) Permanent investments

As of December 31, 2022, permanent investments include the fixed minimum capital stock series "A" of 44 investment funds for $64,873. (See details in the Statement of Investment Portfolio Valuation).

In the year ended December 31, 2022, the Management Company contributed $3,000 to the series “A” minimum fixed capital stock for the constitution of three new investment funds ($1,000 each). The funds constituted were:

- Scotia Portafolio Balanceado, S.A. de C.V. (SCOTBAL)
- Scotia Portafolio Crecimiento, S. A. de C. V. (SCOTCRE)
- Scotia Portafolio Patrimonial, S. A. de C. V. (SCOTPAT)

(Continued)

(Thousands of Mexican pesos)

(8) Employees' benefits

As of December 31, 2022, employee benefits are as follows:

		2022
Short term	$	929
Employees' statutory profit sharing		3,461
Long term (labor obligation)		4,928
Total employees' benefits	**$**	**9,318**

The cost, obligations and other elements of seniority premiums and remunerations at the end of the employment relationship other than restructuring, were determined based on calculations prepared by independent actuaries as of December 31, 2022.

The Management Company has a defined contribution retirement plan and a benefit component for post-retirement benefits. Said plan establishes pre-established contributions for the Management Company, which can be fully withdrawn by the employee when he has reached at least 55 years of age and partially when the employment relationship ends according to the rules of acquisition of defined rights.

For the year ended December 31, 2022, the charge to results corresponding to the Management Company's contributions for the defined contribution plan amounted to $861, within the caption "Administrative expenses" in the statement of income.

The cost, obligations and assets of the funds of the defined benefit pension plans for retirement, seniority premium, medical expenses, and life insurance and legal indemnity, were determined based on calculations prepared by independent actuaries as of December 31, 2022.

Cash flows

During 2022, the Management Company made no contributions to the defined benefit fund.

The components of the net cost of the period and labor obligations for the year ended December 31, 2022, are shown on the following page.

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		Pension plan	Medical expenses	Seniority Premium	Legal Compensation	Other post-retirement benefits
		2022	**2022**	**2022**	**2022**	**2022**
Current service cost (CLSA)	$	284	58	95	144	46
Net interest on DBNL*		16	61	108	147	41
Labor cost for improvements to the plan		-	-	-	-	-
Cost for early settlement of obligations		-	-	-	677	-
Cost for adjustment to the transferred liability		-	-	-	-	-
Reclassifications of remeasurements of DBNA or (DBNL)* recognized in equity		2	(9)	29	1	(6)
Cost defined benefits		302	110	232	969	81
Initial recognition of DBNL or (DBNA)* remeasurements in OCI		29	(83)	343	(34)	(90)
Remeasurements generated in the year		70	(80)	(3)	142	(61)
Reclassifications of remeasurements recognized in equity of the year		(2)	9	(29)	(1)	6
Ending balance of remeasurements of DBNA or (DBNL)*		97	(154)	311	107	(145)
Beginning balance of DBNL or (DBNA)		(163)	(632)	(1,202)	(1,656)	(419)
Net service cost		(300)	(119)	(203)	(968)	(87)
Remeasurements in equity generated in the year		(70)	80	3	(142)	61
Actual payments		-	-	139	750	-
Ending balance of DBNL or (DBNA)*	$	(533)	(671)	(1,263)	(2,016)	(445)

*Defined benefits net liability (DBNL) or Defined benefits net asset (DBNA)

(Continued)

(Thousands of Mexican pesos)

The financial situation of the defined benefit obligations as of December 31, 2022 is detailed below:

		Pension plan	Medical expenses	Seniority Premium	Legal Compensation	Other post-retirement benefits
		2022	2022	2022	2022	2022
Defined benefit obligations (DBO)	$	(533)	(671)	(1,263)	(2,016)	(465)
Plan assets		-	-	-	-	20
Financial Position of the obligation	**$**	**(533)**	**(671)**	**(1,263)**	**(2,016)**	**(445)**

The nominal rates used in the actuarial projections for the year ended December 31, 2022 are:

	2022
Return on plan assets	10.50%
Discount rate	10.50%
Rate of increase in compensation*	4.50%
Estimated inflation rate**	3.50%

* 2023: 8.00%, 2024: 5.50%, from 2025 onwards: 4.50%
** 2023: 8.00%, 2024: 5.00%, from 2025 onwards: 3.50%

The assets of the seniority premium plan are 55% invested in fixed income instruments and 45% in variable income instruments, managed in trust and supervised by a Committee designated by the Management Company.

(9) Stockholders' Equity

The main characteristics of the accounts that make up stockholders' equity are described below:

(a) Structure of capital stock

As of December 31, 2022, the capital stock is made up of 5,500,000 common registered shares, with a nominal value of one peso each, fully subscribed and paid, of which 5,000,000 shares correspond to the fixed minimum part of the capital stock (Series “A”) and 500,000 to the variable part thereof (Series “B”). The variable portion of the capital at no time may be higher than the fixed minimum capital without the right of withdrawal.

(Continued)

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Through the extraordinary general stockholders' meeting held on December 16 and in accordance with official letter number 312-3/2511902/2022 dated December 5, 2022, the Banking Commission approved an increase in the fixed minimum capital stock by $3,500 from the income statement from previous exercises.

(b) Dividends

For the year ended December 31, 2022, there were no dividends paid.

(c) Restrictions on stockholders' equity

The profit for the year is subject to the separation of 5% to constitute the statutory reserve, up to the amount of 20% of the capital stock. As of December 31, 2022, the Management Company has constituted the entire statutory reserve corresponding to 20% of the capital stock.

In case of reimbursement of capital or distribution of profits to stockholders, Income Tax is incurred on the amount distributed or reimbursed, which exceeds the amounts determined for tax purposes.

As of December 31, 2022, the contribution capital account (CUCA unaudited) and the net tax profit account (CUFIN unaudited) amount to $8,537 and $820,454 respectively.

Dividends paid and profits generated from January 1, 2014, to individuals and residents abroad are subject to an additional tax of 10% definitively.

(10) Income taxes and ESPS

The Income Tax Law in force as of January 1, 2014, establishes a rate of 30% for 2014 and subsequent years. The determination of the current ESPS was made in accordance with the limits established in the Federal Labor Law in force as of fiscal year 2021.

As of December 31, 2022, the (benefit) for income tax and ESPS, is integrated as follows:

		2022	
		IT	**ESPS**
On tax basis	$	(93,723)	(3,461)
Previous year tax payment		(177)	-
Deferred		(831)	(32)
	$	**(94,731)**	**(3,493)**

(Continued)

(Thousands of Mexican pesos)

As of December 31, 2022, the asset for deferred IT and ESPS is analyzed below:

		2022	
		IT	**ESPS**
Asset (liability):			
Accruals		1,568	58
Prepaid expenses		(78)	(3)
Employee Profit Sharing		650	-
Remeasurements for employee defined benefits		33	1
Deferred IT and ESPS	**$**	**2,173**	**56**

The net unfavorable effect of deferred IT on results for $831, for the year ended December 31, 2022, corresponds mainly to the provisions item. The unfavorable effect on stockholders' equity as of December 31, 2022, amounts to $3.

The analysis of the effective income tax rate for the year ended December 31, 2022, is presented below:

		Basis	**Tax at 30%**	**Effective rate**
December 31, 2022:				
Income before income tax	$	380,618	(114,185)	(30%)
Allocation to current IT:				
Adjustment for effects of inflation, net		(70,656)	21,197	5%
Accruals, net		(4,687)	1,406	0%
Taxable income		(169)	51	0%
Non-deductible expenses		3,239	(972)	0%
Prepayments		53	(16)	0%
ESPS		1,622	(487)	0%
Others, net		2,391	(717)	0%
Current IT		312,411	(93,723)	(25%)
Allocation to deferred IT (Tax at 30%):				
Prepayments		(53)	16	0%
ESPS		(1,092)	327	0%
Deferred ESPS Deferred IT		(32)	9	
Accruals		3,945	(1,183)	0%
Deferred IT		2,768	(831)	0%
IT	**$**	**315,179**	**(94,554)**	**(25%)**

Provisional payments for fiscal year 2022 amount to $84,544.

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The analysis of the effective PTU rate for the year ended December 31, 2022, is presented below:

	Basis	ESPS at 1.106%	Effective Rate
December 31, 2022:			
Income before income tax	$ 380,618	(4,209)	(1%)
Allocation to current IT:			
Adjustment for effects of inflation, net	(70,656)	781	0%
Accruals, net	(4,687)	52	0%
Taxable income	(169)	2	0%
Non-deductible expenses	1,939	(21)	0%
Prepayments	53	(1)	0%
ESPS accrued and deferred	3,492	(39)	0%
Others, net	2,391	(26)	0%
Current IT	312,981	(3,461)	(1%)
Affectations to deferred ESPS (determined at 1,106%):			
Prepayments	(260)	-	0%
Accruals	5,225	(32)	0%
Deferred IT	4,965	(32)	0%
Total	**$ 317,946**	**(3,493)**	**(1%)**

To carry out the determination of the current ESPS, derived from the labor reform, the provisions of the Federal Labor Law (FLL) and the Income Tax Law must be complied with. Therefore, the following should be considered:

a. The Management Company must apply 10% to the base tax profit of ESPS, based on the provisions of the Income Tax Law.
b. The amount determined in the previous paragraph must be assigned to each employee based on the provisions of the FLL, however, the amount assigned to each employee may not exceed the greater of the following amounts: the equivalent of three months of the employee's current salary or the average ESPS received by the employee in the previous three years.
c. If the ESPS determined in subsection (a) is greater than the sum of the ESPS assigned to each and every one of the employees according to subsection (b), the latter must be considered the current ESPS for the period. Based on the FLL, it is considered that the difference between both amounts does not generate a payment obligation neither in the current period nor in future ones.
d. If the ESPS determined in subsection (a) is less than or equal to that determined in subsection (b), the ESPS of subsection a must be the current ESPS for the period.

(Continued)

(Thousands of Mexican pesos)

According to technical report 53, to determine the current ESPS rate, the current ESPS (FLL) must be divided by the ESPS determined at 10% of the fiscal profit; the quotient obtained must be multiplied by the legal ESPS rate of 10%, in order to obtain the current ESPS.

2022	
ESPS assigned to workers based on law limits	3,461
ESPS 10%	31,298
Quotient	0.1106
ESPS Statutory rate	10%
ESPS rate caused	1.106%

Other considerations

In accordance with current tax legislation, the tax authorities have the power to review up to the five fiscal years prior to the last income tax return filed.

In accordance with the Income Tax Law, companies that carry out operations with related parties, residents in the country or abroad, are subject to limitations and fiscal obligations, regarding the determination of the agreed prices, since these must be comparable which they would use with or between independent parties in comparable transactions.

(11) Related-party transactions and balances

In the normal course of its operations, the Management Company carries out transactions with related parties such as banking services and provision of services, etc. In accordance with the Management Company's policies, all operations for banking services and provision of services with related parties are authorized by the Board of Directors and are agreed with market rates, guarantees and conditions in accordance with sound practices.

Operations carried out with related parties for the year ended December 31, 2022 were as follows:

	2022
Other related parties	
Revenues from:	
Distribution and administration services	$ 1,752,748
Expenses for:	
Co-distribution and administrative services	$ 1,256,284
Administrative and promotional expenses:	
Rents and maintenance	120
Financial advisory	$ 48,066

(Continued)

(Thousands of Mexican pesos)

Income from distribution services is calculated based on the corresponding service provision contracts.

The balances receivable and payable with related parties as of December 31, 2022, are integrated as shown below:

		2022
Other related parties		
Receivable:		
Cash and cash equivalents	$	532
Financial instruments		996,662
Payable:		
Other accounts payable	$	103,879

For the year ended December 31, 2022, there were no changes in the existing conditions of the balances receivable and payable with related parties, there were also no items that were considered unrecoverable or difficult to collect, and no reserve for bad debts was necessary such operations.

For the year ended December 31, 2022, the benefits granted to management personnel amounted to $5,376.

(12) Memorandum accounts

Assets in custody and administration

The operations on behalf of third parties that the Management Company maintains under administration as of December 31, 2022 are detailed below:

		2022
Customer banks (Short term investments)	$	2,887
Securities position (Funds' investment securities)		145,503,152
Debt instruments (Mutual funds)		102,842,794
Common instruments (Mutual funds)		44,394,043
Other registration accounts (Mutual funds)		17,547
	$	**292,760,423**

(Continued)

(13) Risk management (unaudited)

The comprehensive risk management process aims to identify risks, measure them, monitor their impact on the operation and control their effects on profits and the value of capital, through the application of the most appropriate mitigation strategies and the integration of risk culture in daily operations.

Pursuant to the risk management provisions issued by the Banking Commission, the Board of Directors assumes responsibility for the objectives, guidelines and risk management policies of the Management Company and the global level of risk that it must assume. The Board of Directors approves, at least once a year, the policies and procedures, as well as the structure of limits for the different types of risk.

The Board of Directors delegates to the Risk Committee and the Comprehensive Risk Management Unit (UAIR, for its acronym in Spanish) the implementation of risk policies and the establishment of specific limits by risk factor, as well as the responsibility of implementing the procedures to the measurement, administration and control of risks, in accordance with the established policies.

The UAIR has policies to report and monitor deviations from the established limits, and in this case must notify the Risk Committee and the Board of Directors itself about said deviations.

a) Discretionary risks

Market risk

The market risk is defined as the potential loss due to changes in risk factors that affect the valuation or the expected results of investments or liabilities in charge of investment funds, such as price movements, interest rates, exchange rates, price indices, among others.

The implicit market risk in investment funds is calculated using a methodology consisting of calculating the Value at Risk (VaR) using the parametric variance-covariance (Var-Covar) model, with a confidence level of 95%, a window of time of one year and with a time horizon of 1 day. To verify the efficiency of the model used to measure VaR, a test called "Back Test" is performed. This analysis is periodically presented to the Risk Committee and the Board of Directors of the Management Company.

The following page shows the exposure, limits and averages for market risk of the funds.

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Fund	VaR ($) as of, 30-dec-22	VaR (%) as of, 30-dec-22	Annual Average	Actual limit
SCOTIAG	1,224	0.0042%	0.0030%	0.04%
SCOTIA1	991	0.0033%	0.0036%	0.06%
SBANKCP	1,093	0.0039%	0.0032%	0.08%
SBANKDL	12,155	0.9589%	1.0297%	3.50%
FINDE1	1,194	0.0310%	0.0277%	0.20%
SCOTIA2	539	0.0527%	0.0208%	0.20%
SCOTI10	2,051	0.0559%	0.0346%	0.40%
SBANKMP	910	0.1492%	0.1015%	0.40%
SCOT200	17	0.0189%	0.0404%	1.60%
SCOTILP	1,571	0.3270%	0.2338%	0.70%
SCOT-TR	3,643	0.3012%	0.2423%	1.05%
SCOTIMB	6,461	0.5617%	0.3990%	1.70%
SCOTDVC	1,542	0.2050%	0.1651%	1.50%
SCOTMA1	12,537	0.6491%	0.4484%	2.00%
SCOTUSA	328,947	2.5430%	2.5766%	4.60%
SCOTGL+	59,104	2.0966%	2.0331%	4.60%
SCOT-RV	15,476	1.6479%	1.7403%	3.55%
SCOTLPG	5,409	0.5592%	0.3711%	1.04%
SCOTMA2	7,137	0.9593%	0.7106%	2.50%
FIRMA-D	3,139	0.8854%	0.8802%	4.90%
SCOT-FX	12,058	1.0130%	0.9164%	3.00%
SCOTGLO	101,284	2.0607%	2.2432%	3.75%
SCOT100	6,114	2.1180%	2.2159%	4.00%
SCOTDOL	54,375	0.9464%	1.0147%	3.50%
SCOTMA3	7,923	1.2078%	1.2398%	3.20%
SCOT-FR	3,799	1.4178%	1.6524%	3.00%
SCOTEUR	23,890	2.5477%	2.5985%	5.00%
FIRMA-E	15,841	2.3157%	2.4734%	5.00%
SCOTUDI	6,069	0.6662%	0.5062%	1.70%
SCOT-22	1	0.0639%	0.0938%	0.55%
SCOT-29	3,109	0.5426%	0.5592%	0.90%
SCOT-36	4,483	0.7341%	0.7868%	1.20%
SCOT-43	5,678	0.9425%	1.0537%	1.45%
SCOT-50	6,002	1.1519%	1.3448%	2.10%
SCOT-04	1	0.0580%	0.0468%	3.30%
SCOT-03	9,884	0.6759%	0.8598%	4.00%
MG-INTL	23,351	2.1884%	2.2228%	5.64%
SCOTDL+	26,265	0.8658%	0.9238%	2.25%
SCOTCAN	21,124	2.0763%	1.6781%	9.72%
SCOTDGH	2,151	0.7361%	0.6345%	2.70%
SCOTDIH	69	0.0202%	0.0503%	3.30%
SCOTPAT	5	0.5342%	0.3347%	1.50%
SCOTBAL	7	0.7804%	0.5905%	2.00%
SCOTCRE	10	1.0217%	0.8390%	2.50%

(Continued)

(Thousands of Mexican pesos)

Credit risk

Credit risk is defined as the potential loss due to non-payment by an issuer or counterparty in the investments made by investment funds, including the real or personal guarantees granted to them, as well as any other mitigation mechanism used by the funds said investment funds. To estimate the credit risk of the portfolio, the rating of the private instruments included in the investment fund portfolio is considered, as well as the transition probability matrix and the surcharges paid by the instruments.

The methodology used to determine credit risk for investment funds primarily seeks to assess potential losses from credit events in order to establish risk tolerance limits and make timely decisions.

For credit risk monitoring, securities issued by the Federal Government with circulation restricted to the national territory, debt vehicles (indices that replicate foreign government bonds), common shares and shares of other mutual funds, and counterparts in repurchase operations.

Found	C.R. ($) 30-dec-22	C.R. (%) 30-dec-22	C.R. (%) Maximum	C.R. (%) Minimum	Annual average	Actual limit
SCOTIA1	7,891	0.0262%	0.0433%	0.0232%	0.0320%	0.25%
SBANKCP	3,341	0.0120%	0.0123%	0.0057%	0.0081%	0.25%
FINDE1	1,676	0.0436%	0.0535%	0.0357%	0.0463%	2.40%
SCOTIA2	110	0.0108%	0.0218%	0.0103%	0.0169%	0.50%
SCOTI10	6,504	0.1771%	0.2706%	0.1194%	0.1847%	2.50%
SBANKMP	362	0.0594%	0.0936%	0.0475%	0.0703%	0.86%
SCOTILP	654	0.1362%	0.2556%	0.1234%	0.1800%	2.00%
SCOT-TR	1,296	0.1072%	0.2368%	0.1072%	0.1722%	3.50%
SCOTDVC	356	0.0473%	0.0503%	0.0185%	0.0325%	0.54%
SCOTMA1	309	0.0160%	0.0211%	0.0104%	0.0160%	0.49%
SCOTMA2	87	0.0116%	0.0181%	0.0055%	0.0116%	0.60%
SCOTMA3	73	0.0112%	0.0140%	0.0055%	0.0100%	0.22%
SCOT-22	0.01	0.0004%	0.0314%	0.0002%	0.0043%	0.61%
SCOT-29	80	0.0139%	0.0286%	0.0046%	0.0191%	0.18%
SCOT-36	57	0.0094%	0.0199%	0.0030%	0.0133%	0.10%
SCOT-43	34	0.0057%	0.0121%	0.0020%	0.0083%	0.15%
SCOT-50	12	0.0022%	0.0048%	0.0009%	0.0034%	0.18%
SCOT-04	0.37	0.0345%	0.0563%	0.0310%	0.0421%	0.40%
SCOT-03	0.40	0.00003%	0.0038%	0.0001%	0.0019%	1.57%
SCOTPAT	0.19	0.0176%	0.0242%	0.0175%	0.0207%	0.54%
SCOTBAL	0.17	0.0139%	0.0221%	0.0139%	0.0167%	0.49%
SCOTCRE	0.15	0.0112%	0.0203%	0.0112%	0.0136%	0.60%

(Continued)

(Thousands of Mexican pesos)

Liquidity risk

The implicit liquidity risk for investment funds is defined as the potential loss due to the anticipated or forced sale of assets at unusual discounts to meet their obligations, or, due to the fact that a position cannot be disposed of in a timely manner, acquired or hedged by establishing an equivalent contrary position.

The methodology used to determine liquidity risk for investment funds primarily seeks to assess potential losses due to lack of positions and depth in the market in order to establish risk tolerance limits and make timely decisions. This is done considering spread and volatility to calculate the liquidity risk factor.

Fund	L.R. ($) 30-dec-22	L.R. (%) 30-dec-22	Annual average	Actual limit
SCOTIAG	4,219	0.0143%	0.0105%	0.05%
SCOTIA1	6,244	0.0207%	0.0168%	0.10%
SBANKCP	5,865	0.0212%	0.0142%	0.10%
SBANKDL	14,732	1.1622%	1.3175%	6.09%
FINDE1	3,913	0.1018%	0.0707%	0.35%
SCOTIA2	1,029	0.1007%	0.0643%	0.56%
SCOTI10	5,034	0.1371%	0.1024%	0.50%
SBANKMP	1,832	0.3002%	0.1648%	0.86%
SCOT200	10	0.0108%	0.0398%	1.18%
SCOTILP	2,465	0.5132%	0.5225%	2.62%
SCOT-TR	9,900	0.8186%	0.7164%	3.10%
SCOTIMB	5,798	0.5041%	0.4896%	1.00%
SCOTDVC	2,395	0.3186%	0.1328%	4.61%
SCOTMA1	2,629	0.1361%	0.1640%	8.62%
SCOTUSA	8,513	0.0658%	0.0774%	1.50%
SCOTGL+	4,433	0.1573%	0.1812%	1.50%
SCOT-RV	2,182	0.2324%	0.2225%	1.50%
SCOTLPG	4,893	0.5058%	0.4771%	1.00%
SCOTMA2	1,208	0.1623%	0.1799%	11.72%
FIRMA-D	745	0.2102%	0.2406%	3.50%
SCOT-FX	4,831	0.4058%	0.4352%	2.00%
SCOTGLO	6,023	0.1225%	0.1735%	2.50%
SCOT100	344	0.1191%	0.1306%	3.00%
SCOTDOL	5,610	0.0976%	0.1250%	2.00%
SCOTMA3	1,169	0.1781%	0.1697%	3.00%
SCOT-FR	3,143	1.1730%	0.5107%	2.10%
SCOTEUR	2,782	0.2967%	0.2817%	4.00%
FIRMA-E	896	0.1309%	0.1453%	3.50%
SCOTUDI	12,880	1.4137%	1.2816%	4.68%
SCOT-22	0	0.0200%	0.0734%	0.60%
SCOT-29	2,264	0.3950%	0.4142%	2.51%
SCOT-36	2,028	0.3322%	0.3569%	1.00%
SCOT-43	1,839	0.3052%	0.3161%	1.10%
SCOT-50	1,275	0.2446%	0.2605%	1.30%
SCOT-04	1	0.0517%	0.0487%	0.87%
SCOT-03	3,513	0.2402%	0.3004%	3.11%
MG-INTL	1,616	0.1514%	0.1613%	2.42%
SCOTDL+	3,227	0.1064%	0.0908%	3.10%
SCOTCAN	9,282	0.9123%	0.8615%	2.26%
SCOTDGH	2,593	0.8873%	0.8236%	2.46%
SCOTDIH	702	0.2068%	0.1780%	1.08%
SCOTPAT	1	0.0456%	0.0318%	4.61%
SCOTBAL	1	0.0491%	0.0384%	8.62%
SCOTCRE	1	0.0523%	0.0443%	11.72%

(Continued)

b) Non-discretionary risks

Operational risk

The operational risk is a non-discretionary risk that is defined as the potential loss due to failures or deficiencies in internal controls, due to errors in the processing and storage of operations or in the transmission of information, as well as adverse administrative and judicial resolutions, fraud or theft, external events, and includes, among others, technological risk and legal risk.

The Management Company has implemented policies and procedures that allow it to have an adequate operational risk management process, which are detailed below:

Policies for non-discretionary risks management

Their purpose is to establish the principles and the management framework, to identify, measure, monitor, limit, control, disclose and manage the operational risks inherent to their daily activities, in addition to promoting a culture of risk management in the Management Company.

Manual for operational risk data gathering and classification

It defines the requirements to report the information that supports the measurement processes, as well as the scope of the information collection process, the functions and responsibilities of the business units to collect and report loss data, and its specific requirements.

There were no operating losses at the Management Company for the year 2022.

Operational, legal and technological risk tolerance levels

It is an operational loss management tool that allows each area of the Management Company to know the loss tolerance levels applicable to each assumed loss event, as well as encourage improvements in the operational risk management process and the adoption of actions necessary to minimize the risk of future losses.

Key risk indicators

This process allows the Management Company to establish indicators based on variables extracted from the processes, whose behavior is related to the level of risk assumed. By monitoring each indicator, trends are identified that allow the indicator values to be managed over time. Maximum thresholds are established for each of the selected indicators.

(Continued)

Operational Risk Assessment

The Management Company has a structured methodology for evaluating operational risk, which allows it to identify, evaluate, and mitigate the risks inherent to its processes and its business activity itself, which is applied to its entire structure. The evaluation is based on the identification of the inherent operational risk, the evaluation of the effectiveness of the controls of said risks, with which a level of residual risk is determined based on which mitigation actions are established on the identified risks.

Legal risk

Legal risk is defined as the potential loss due to non-compliance with the applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions.

In order to have policies and procedures that seek adequate implementation of the agreements and contracts in which the Management Company participates, the policies established in the manual of the legal area are followed, which allows to give security to the Management Company's operations, safeguarding their interests, preventing and reducing risks and legal contingencies.

Fines and penalties

The fines and sanctions of the Mutual Funds managed by the Management Company, caused by unauthorized operations or for exceeding the investment limits established by the Banking Commission or contemplated in the information prospectuses for the investing public, will be attributable to the Management Company, with the purpose of protecting the interests of investors by not affecting the equity of the Mutual Funds.

As of December 31, 2022, legal contingencies are identified for an amount of $29.

Technological risk

Technological risk is defined as the potential loss due to damage, interruption, alteration or failure derived from the use of hardware, software, application systems, networks and any other information transmission channel in the provision of services to the Management Company's customers.

Technological risk management is documented in the Cybersecurity and Technological Risk Management Policy and in the Cybersecurity and Information Technology Risk Management Framework, which describe the guidelines and general principles for managing and monitoring the risks associated with Information Technologies and Cybersecurity and include the functions, responsibilities and obligations of the interested parties, as well as the supervision of the various bodies in each line of defense and the tools, practices and deliverables required for the risk management activities of effective way.

Additionally, the usual audits carried out on the different IT management domains by a specialized, independent and experienced internal audit team in information technology, include reviews of the design, implementation and operation of internal control systems in all business areas. and support, new products and systems, and the reliability and integrity of data processing operations.

During 2022, the Management Company did not record contingencies for technological risk.

(14) Commitments and contingencies

The Management Company has entered into service provision contracts with related companies, in which they agree to provide the advisory, distribution, custody and asset management services necessary for its operation. As of December 31, 2022, the total payments for this concept were $1,256,284 and are included in the caption " Commission and fee expense" in the statement of income.

Likewise, the Management Company has the commitments as a founding partner and management company that are mentioned in note 1.

In the normal course of operations, the Management Company has been subject to some lawsuits and claims, which are not expected to have a significant negative effect on the financial situation and results of future operations. In those cases that represent a probable loss or make a disbursement, the reserves considered necessary have been established.

(15) Regulatory pronouncements recently issued

Improvements to FRS 2023

In December 2022, the CINIF issued the document called "Improvements to FRS 2023", which contains specific modifications to some existing FRSs. The main improvements will not generate accounting changes.