

## Scotiabank Inverlat, S.A.

### Bono "Call" ligado al comportamiento del US High Yield VT4% (MSFDVTHY Index)

Clave SCOTIAB 7-21 - Términos y Condiciones DEFINITIVOS - Agosto 11, 2021

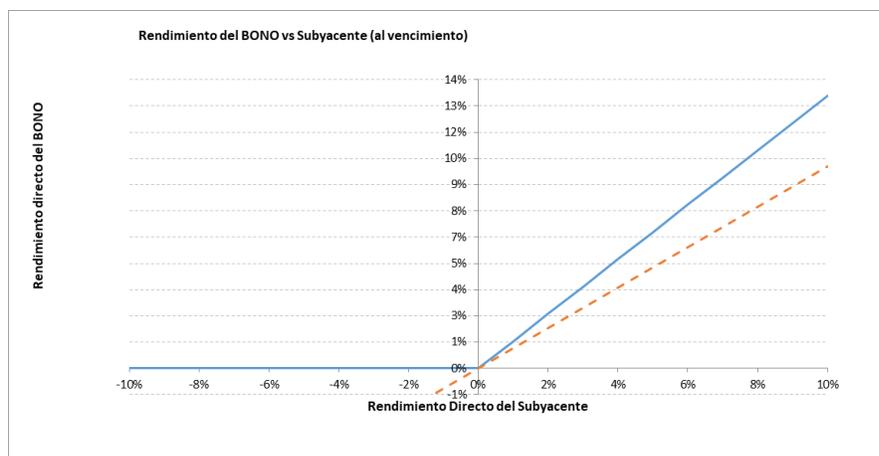
#### Descripción General del Producto

- El rendimiento total del Bono es impactado positivamente por un alza del precio del US High Yield VT4% a vencimiento respecto al 100% de su Nivel Inicial.
- El producto protege el 100.00% del capital invertido.
- El rendimiento del Bono no es afectado por los movimientos del tipo de cambio EURMXN.

#### Condiciones, Niveles y Fechas principales

- Emisor:	Scotiabank Inverlat, S.A.
- Tipo de Producto:	Call
- Subyacente de Referencia:	US High Yield VT4% [BBG: MSFDVTHY Index]
- Protección de Capital:	100.00%
- Plazo:	358 días
- Nivel Inicial del US High Yield VT4%:	\$136.54
- Participación al Alza:	125.00%
- Piso del Subyacente:	0.00%
- Rendimiento Máximo - Directo:	Ilimitado
- Rendimiento Máximo - Anualizado (Act /360):	Ilimitado

#### Escenarios de Rendimiento y Pago al Vencimiento



#### Precio y rendimiento del Bono vs Subyacente (al vencimiento)

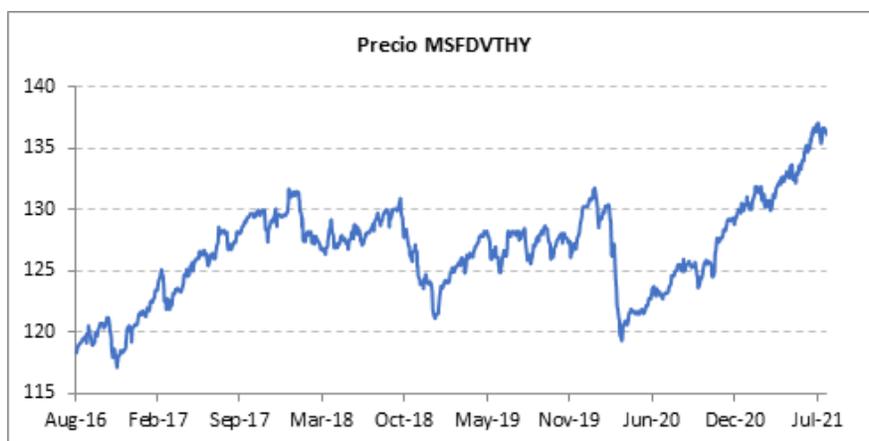
Subyacente: US High Yield VT4%			Bono		
Nivel Final	Rendimiento Directo	Rendimiento Anualizado	Pago Final por Título	Rendimiento Directo	Rendimiento Anualizado
126.98	-7.00%	-7.04%	100.00	0.00%	0.00%
131.08	-4.00%	-4.02%	100.00	0.00%	0.00%
135.17	-1.00%	-1.01%	100.00	0.00%	0.00%
136.54	0.00%	0.00%	100.00	0.00%	0.00%
139.27	2.00%	2.01%	102.50	2.50%	2.51%
143.37	5.00%	5.03%	106.25	6.25%	6.28%
147.46	8.00%	8.04%	110.00	10.00%	10.06%

151.56	11.00%	11.06%	113.75	13.75%	13.83%
155.66	14.00%	14.08%	117.50	17.50%	17.60%
159.75	17.00%	17.09%	121.25	21.25%	21.37%
163.85	20.00%	20.11%	125.00	25.00%	25.14%
167.94	23.00%	23.13%	128.75	28.75%	28.91%

### Condiciones Adicionales (Definidas en la Fecha de Cierre)

- Nocional: \$152,600,000.00
- Clave de Pizarra: SCOTIAB 7-21
- Valor Nominal por Título: \$100
- Fecha de Definición del Strike: 05 de agosto de 2021
- Fecha de Emisión y Cruce en Bolsa: 11 de agosto de 2021
- Fecha de Liquidación Inicial: 11 de agosto de 2021
- Fecha(s) de Ejercicio: 02 de agosto de 2022  
(Precio publicado en Bloomberg el 03 de agosto 2022)
- Fecha(s) de Vencimiento: 04 de agosto de 2022
- Fecha(s) de Liquidación Final: 04 de agosto de 2022

### Evolución Histórica del US High Yield VT4% (MSFDVTHY Index)



### Determinación de Pago

- El pago por título al vencimiento se determinará de la siguiente manera:
  - A. Si el Precio del US High Yield VT4% en la Fecha de Ejercicio, es mayor o igual al 100.00% de su Nivel Inicial, la suma de:
    - $100 \times 100.00\%$
    - $100 \times 125.00\% \times \frac{US\ High\ Yield\ VT4\%_{Final} - [100.00\%] \times US\ High\ Yield\ VT4\%_{Inicial}}{US\ High\ Yield\ VT4\%_{Inicial}}$
  - B. Si el Precio del US High Yield VT4% en la Fecha de Ejercicio, es menor al 100.00% de su Nivel Inicial:
    - $100 \times 100.00\%$

### Notes / Comments:

The Index is a total return index and its denomination currency is EUR. The Index is “notional” in nature. This means that the Index Sponsor is not obliged to purchase, sell or hold any actual Components or cash in order to calculate the Index. The Index Level and, as applicable, the price of each Component will be reduced by the deduction of running costs.

**Risk Factors  
and Investment  
Considerations:**

**The Index Level is subject to fluctuations** – The performance of the Index is dependent on many factors, including the price of the Components and general trends of the markets for the Components, as well as the constituent asset(s) of such Components (which may expose investors to emerging market and currency risks, as well as sector concentration risks, depending on the investment strategy of the Component). Further information in relation to the risks of an investment in the Component (and its constituent asset(s)) are set out in the Fund Documents. The index performance can go up as well as down, and can register significant losses, including catastrophic losses, if the Index falls to zero.

**Past performance is not a guide to future performance** – Prospective investors should be aware that past performance of the Index and its Components does not represent any actual indication as to the future performance of the Index and its Components.

**The Index is not an investment in the Components** – The Index is designed to reflect the value of the Components, however the strategy embedded in the Index means that the performance of the Index Level during a period of time might be higher or lower than the performance of the individual Components.

**No active management** – The Index Sponsor and its affiliates (the “Index Sponsor Group”) do not have discretion to change the Components if there are significant changes in the volatility that cause the Index to decline significantly or underperform. In addition, the Index Sponsor Group does not act as a fiduciary for, nor an advisor to, any investor in respect of the Index.

**No fiduciary duties** – The Index Sponsor and the Index Calculation Agent can, in certain circumstances, exercise discretion. In exercising such discretions, the Index Sponsor and the Index Calculation Agent have no obligations to consider the interests of any other person including (but not limited to) counterparties to transactions linked to the performance of the Index. The Index Sponsor and the Index Calculation Agent do not owe any person any fiduciary duties in exercising any discretions or making any determination or calculation. Determinations made by the Index Sponsor and the Index Calculation Agent could adversely affect the Index Level or any product linked to the Index and the exercise by the Index Sponsor and the Index Calculation Agent of their discretion could present them with a conflict of interest. In making those determinations, the Index Sponsor and the Index Calculation Agent will not be required to, and will not, take the interests of any investor of any such product into account or consider the effect their determinations will have on the value of such a product. Such determinations may differ from determinations made in respect of other indices or products by other third parties and may have an adverse effect on the Index Level, potentially materially so. All determinations made by the Index Sponsor and the Index Calculation Agent and shall be conclusive for all purposes and will bind all holders and counterparties in respect of any products linked to the Index. The Index Sponsor and the Index Calculation Agent shall not have any liability for such determinations.

**Reliance on Information** – Calculations related to the Index rely on information obtained from various publicly available sources. When using such information, the Morgan Stanley Group and the Index Calculation Agent have relied on and will rely on these sources. In addition, the Morgan Stanley Group and the Index Calculation Agent have not verified independently and will not verify independently the information extracted from these sources. The Index Sponsor and the Index Calculation Agent make no warranty as to the correctness or completeness of such information and take no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index Level.

**Simulated performance before Index Live Date** - The performance of the Index Level for the period from the Index Base Date to the Index Live Date has been calculated on a simulated, hypothetical and retrospective basis. It may not represent the actual performance of the Components during that time and should not be considered as an indicator of future performance. Prospective investors in any contract or product the return of which is linked to the performance of the Index should be aware that no investment existed which allowed a tracking of the performance of the Index existed at any time before the Index Live Date.

**Conflict of interests** – Morgan Stanley and its affiliates (including the Index Calculation Agent and the Index Sponsor) may from time to time engage in transactions involving the Components for their own

account and/or for the account of their clients and may act as market-maker in such Components. Such activities may not be for the benefit of the holders of financial products linked to the Index and may have an effect on the value of the Index and, consequently, on the value and performance of any financial products linked to the Index. In addition, Morgan Stanley and its affiliates may from time to time act in other capacities in relation to Components (or securities related to Components), such as the fund manager to, issuer of, or advisor on investments. The Morgan Stanley Group also may issue, hold or enter into financial instruments and/or enter into derivative contracts in respect of the Components and the issue of, entry into, or transactions relating to such instruments and/or derivatives may affect the value of the Components. Morgan Stanley or its affiliates may enter into hedging transactions in respect of the Components which may affect the value of such Components or of any instruments, contract or investment product linked to the Index. In addition, the unwinding of such hedging transactions may affect the value of such components or instruments, which may affect the value of the Index. Morgan Stanley or its affiliates may make gains and/or losses from such hedging activity. In acting in any of these capacities, subject to regulatory obligations, Morgan Stanley or its affiliates are not obliged to take into account the interests of any person including (but not limited to) investors in products linked to the Index.

**Morgan Stanley research** - Morgan Stanley may issue research reports on securities or other financial instruments that are, or may become, Components. These reports are independent of the obligations of the Index Sponsor and the Index Calculation Agents hereunder and may ultimately affect the Index Level.

**The Index Sponsor's determinations are final and conclusive** – The Index Calculation Agent is responsible for compiling and calculating the Index pursuant to the Index Rules. The Index Sponsor retains the discretion to appoint an alternative Index Calculation Agent. The Index Sponsor retains the final discretion as to the manner in which the Index is calculated and constructed, as stated herein. Furthermore, the Index Sponsor has the final authority on the Index and the interpretation and application of the Index Rules. The Index Calculation Agent also has certain discretions relating to the Index, as stated herein. The Index Sponsor makes no representation (implied or otherwise) as to the performance of any Component, any other economic factor affecting the Index, and/or the Index itself.

**Index Calculation Agent's determinations** – The Index Calculation Agent's calculations and determinations in relation to the Index shall be binding. No person (whether the holder of any product linked to an Index or otherwise) will be entitled to start proceedings against the Index Calculation Agent in connection with any such calculations or determinations or any failure to make any calculations or determinations in relation to an Index. For so long as the Index Calculation Agent constitutes and calculates the Index, calculations and determinations by the Index Calculation Agent does not accept any liability for loss or damage of any kind arising from any such calculation or determination (or failure to make any calculation or determination). The Index Calculation Agent makes no representation (implied or otherwise) as to the performance of any Component, any other economic factor affecting the Index, and/or the Index itself.

**Tax considerations** - In July 2015, the U.S. Treasury Department and the IRS released a notice designating certain "basket contracts" and substantially similar transactions as "transactions of interest," subject to information reporting requirements as "reportable transactions" under Section 6011 of the Code. The scope of this notice is unclear, and it is therefore possible that contracts or products the value of which is linked to the performance of the Index could be subject to the notice. In that case, holders of such instruments would be required to report certain information to the IRS, as set forth in the applicable Treasury regulations regarding "reportable transactions". If the IRS determines such a transaction is a "transaction of interest" and you fail to disclose the transaction, you could be subject to penalties. Holders should consult their tax advisers regarding the potential application of this notice to instruments linked to the Strategy.

**Index performance** - When considering any investment the return on which is linked to the performance of the Index, prospective investors should be aware that the level of that Index can go down as well as up and that the performance of the Index in any future period may not mirror its past performance. Any investment linked or related to the Index may not necessarily be economically or

legally equivalent to an investment in or relating to the Components at that time. No assurance is given that the strategy on which the Index is based will result in the value of any contract or product linked to the Index increasing, or that any such product will outperform any alternative investment strategy in respect of the Components.

The application of the methodology described herein by the Index Sponsor and Index Calculation Agent shall be conclusive and binding.

**Lack of operation history** - The Index is only newly established and therefore has no operation history upon which prospective investors in the Index can evaluate the performance. Any back-testing or similar analysis performed by any person in respect of the Index must be considered illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the Index level.

**Index Level reduced by deduction of notional costs** - The Index and, as applicable, each relevant Component is calculated so as to include notional deductions of running costs and, as the case may be, other specified costs (to the extent specified as applicable). Deductions representing such notional costs may be significant and the negative impact on the performance of the Index or Component of deductions representing such costs could be material. Investors should also note that the running costs and financing costs in respect of the Index or any Component may be increased or otherwise modified in any supplement, amendment, restatement or update of the Index Rules. The notional running costs reflected in the calculation of the Index or any Component are calculated by reference to pre-determined rates and do not necessarily reflect the actual or realised transaction, carry, management or financing costs that would be incurred by an investor in the relevant Component, which could be larger or smaller from time to time. The Index Sponsor (or its affiliates) that has hedged its exposure to the Components will benefit if the actual costs that it incurs in carrying out its hedging activity are less than such specified notional costs in respect of the Index or Component. Any such benefit will not be passed on to investors in products linked to such Index.

**Dividends are subject to assumed tax rates which will have a negative impact on the Index**

The Index and any Component will (to the extent specified as applicable) deduct a notional dividend withholding tax from any dividend amounts in respect of a Component. The notional withholding amount is calculated by reference to pre-determined rates and may not necessarily reflect the actual withholding tax rate that would be incurred by an investor in the relevant Component. The notional withholding rates may be amended from time to time by the Index Sponsor or Index Calculation Agent. If any notional withholding rate in respect of one or more Component is increased then the Index Level may be adversely affected. The Index Sponsor (or its affiliates) that has hedged its exposure to the Components will benefit if the effective rate of withholding tax that it incurs in carrying out its hedging activity is less than the synthetic withholding rate applied in respect of the Index or Component. Any such benefit will not be passed on to investors in products linked to the Index. Morgan Stanley & Co. International expressly disclaims all liability for any inaccuracy in the information used for calculating the Index Level (including but not limited to publicly available price data), and any actual adjustments to, calculations relating to, or publication of the Index.

**Index Calculation Agent** - The Index Calculation Agent is responsible for compiling and calculating the Index pursuant to and on the basis of the Index Rules. The Index Calculation Agent may be changed from time to time, and Morgan Stanley & Co. International retains the discretion to appoint an alternative Index Calculation Agent instead of itself, and thereafter to terminate the appointment of any such alternative Index Calculation Agent.

**Notional Exposure** - The notional amount of each Component to which the Index refers and any cash expressed to be a component of the strategy are purely notional and do not constitute a direct or indirect purchase or other acquisition or assignment of any interest in any Component, cash or other asset and will exist solely in the records maintained by or on behalf of Morgan Stanley & Co. International plc as the Index Calculation Agent of the Index. Consequently, investors will not have any claim against any of the Components that comprise the Index. As such, (i) the risks and returns of an investment linked to the Index may differ significantly from a cash investment in the relevant Components, and (ii) an investment linked to the Index will not make an investor a holder of, or give an

investor a direct investment position in, or any right with respect to, any Component or any other underlying.

**Strategy** - The methodology used to calculate the Index was developed using historic data and conditions. There can be no assurances that the methodology can generate positive performance in the future.

**Index Publication** - Morgan Stanley & Co. International, as Index Sponsor, will publish the Index Level in respect of each Index Business Day 2 Business Days following such Index Business Day or where, in its sole discretion, circumstances so require, as soon as reasonably practicable thereafter. A published Index Level will not be altered or amended unless it is necessary to correct an erroneous calculation or publication of the Index or to reflect any correction to the price of any Component or other data, as detailed in section 8. The Index Sponsor accepts no liability to any person for any publication, suspension of publication, delay in publication or non-publication of the Index Level for any period of time or in any place.

**Volatility Indicator** - The asset allocation mechanism aims at maximising the return of the Index given certain level of risk. However, the outcome relies on various historical trends, prices and data. There is no guarantee that the historical data can predict the future movement of any Component. Prospective investors should be aware that past performance of the Index and its Components does not represent any actual indication as to the future performance of the Index and its Components. No assurance can be given that the strategy on which the Index is based will be successful or that the Index will outperform any alternative strategy that might be employed in respect of the asset portfolio.

**Volatility and Volatility Target** - Volatility refers to the actual and anticipated frequency and magnitude of changes of the market price with respect to the Index and the Components. Volatility is affected by a number of factors such as macroeconomic factors. Historical Realized volatility is not necessarily indicative of future Realized volatility. The actual volatility of the Index can be higher or lower than its relevant volatility target. The target level may not reflect the risk profile of a sector or market or the risk appetite of any potential investor of a product linked to the Index. The Index level may not reflect the performance of individual Component. The Index Calculation Agent will adjust the exposure of the Index to the optimized weighting portfolio in an attempt to keep volatility within the Volatility Target. The volatility used to calculate the adjusted exposure is backward looking so any significant changes to the current level of volatility may mean the Volatility Target will not be met. One of the Index component is the Euro Interbank Offered Rate (EURIBOR), which is the subject of recent national, international and other regulatory guidance and proposals for reform, alongside with the London Interbank Offered Rate (LIBOR), and other indices which are deemed “benchmarks”. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. In order to address the risk of a possible discontinuance of such rates, the Determination Agent may make adjustments to rate. The application of any of these adjustments may adversely affect the value of the Index.

**General description of the Index** - The Index is a dynamic allocation strategy linked to the performance of the Fidelity Funds - US High Yield Fund (FFUHYEH LX EQUITY), also called “Basket”. The Index will rebalance the exposure between the Fund and cash component according to volatility target mechanism.

	I	Ticker	Running Rate	Day Count	Rate	Volatility Target	Min Exposure	Max Exposure	Trigger
US High Yield VT4%	1	MSFDVTHY Index	0.00%	360	EUR EURIBOR (Bloomberg Ticker: EUR003 M Index)	4.00%	0.00%	150.00%	1.00%

**Calculation and publication of the Index Level** – The Index Calculation Agent will publish the Index Level, rounded to two decimal places, in respect of each Index Calculation Date 2 Business Days following such Index Calculation Date or where, in its sole discretion, circumstances so require, as soon as reasonably practicable following calculation thereafter, on Bloomberg with ticker MSFDVTHY Index or on such successor page or other publicly available source as determined by the Index Sponsor.

**Fidelity Funds - US High Yield Fund (FFUHYEH LX EQUITY) considerations** – At least 70% is invested in bonds of low quality and high profitability of issuers whose main activities are carried out in the United States. The Fund may invest up to 10% in loans that meet the criteria applicable to Money Market Instruments. The Fund can invest in assets directly or achieve exposure indirectly through others suitable means, including derivatives. The Fund can use derivatives in order to reduce risks or costs, or to generate additional capital or income, in addition to investment purposes, in accordance with the risk profile. The value of the investments and the income obtained from them can decrease or increase and it is possible that an investor does not recover the amount invested. Income and coupons are accumulated in the price per share of the Fund. The use of derivative financial instruments may increase the profits or losses of the Fund. Liquidity is a measure of the ease with which an investment can be converted to cash. Under certain market conditions, there may be difficulties in selling assets. There is a risk that bond issuers cannot reimburse the borrowed amount, or that they cannot meet interest payments. When interest rates rise, the value of bonds may decrease. The increase in interest rates can cause a fall in the value of your investment. The investment policy of this fund means that there may be more than 35% invested in government and public securities. These securities may be issued or guaranteed by other countries and governments. Past performance is not a reliable indicator of future performance. Currency risk coverage is used to substantially reduce the effect of exchange rate fluctuations on unwanted foreign currency exposures. There is no guarantee that the exchange risk coverage used will be successful. Coverage also limits the chances of obtaining positive exchange differences. The Fund is free to select investments that fit its objectives and policies. The types of bonds in which this Fund will invest primarily will be at high risk and must not meet any minimum credit rating criteria.

**Equity and Bond Indexes** – Equity Indexes track the return of a basket of underlying equity instruments while the Bond Indexes are referenced to the performance of a basket of bond instruments. The US High Yield VT4% Index (MSFDVTHY Index) measures the total return of the US High Yield Fund (FFUHYEH LX EQUITY) rebalancing the exposure between the Fund and cash component according to volatility target mechanism.

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“Este instrumento de inversión podrá no generar rendimientos, o éstos ser inferiores a los existentes en el mercado. Para el caso de instrumentos con 100% de capital garantizado, en ningún caso, al vencimiento de la operación, se podrá liquidar un importe nominal inferior al principal invertido.”

(1) Por el hecho de adquirir este instrumento, el inversionista acepta haber tomado sus propias decisiones de inversión en base a una evaluación y asesoramiento específico e independiente considerando sus objetivos de inversión, así como las características del producto, la calidad crediticia del Emisor, de las condiciones que afectan o podrían afectar al mercado mexicano, la economía mexicana o al Emisor y de cualquier otra circunstancia que ha considerado conveniente, y no ha basado dicha evaluación únicamente en la información proporcionada por el Emisor.

(2) El inversionista conoce los riesgos que implica la celebración de esta clase de operaciones, ya que el invertir en Bonos Estructurados conlleva un alto grado de riesgo. Así mismo, reconoce que el Emisor no asume ninguna obligación de garantizar rendimientos, ni se responsabiliza de las pérdidas que pueda sufrir como consecuencia de la realización de la operación con estos instrumentos de inversión y, que por la naturaleza de estos instrumentos de inversión, aún la obtención de dichos rendimientos y tasas estará sujeta a las condiciones del mercado, a la bondad del instrumento, a la solvencia del Emisor y a las disposiciones fiscales aplicables en la materia, de las cuales el inversionista deberá haber hecho una revisión independiente con sus asesores fiscales. Asimismo el inversionista reconoce que no hay obligación alguna por parte del Emisor de readquirir dichos valores y que la liquidez de éstos no está garantizada.

(3) El inversionista manifiesta estar consciente y aceptar (i) los riesgos derivados de invertir en estos instrumentos; (ii) que los rendimientos de los mismos pueden ser afectados por eventos de diferente naturaleza (por ejemplo, eventos políticos, sociales, económicos y/o financieros); y (iii) de conformidad con los términos y condiciones de estos instrumentos de inversión, el derecho a recibir rendimientos se encuentra sujeto a diversas condiciones respecto de uno o más valores subyacentes, que podrían ser afectados por situaciones tales como, de manera enunciativa mas no limitativa: fusiones, adquisiciones, deslistado, splits o splits inversos, nacionalización, modificaciones o cancelación (índices), interrupción o cambios en los costos de cobertura y/o cambios legales, entre otros eventos, en cuyo caso las valuaciones serán llevadas a cabo por el Emisor a su mejor juicio, con base en prácticas comerciales generalmente aceptadas.

(4) En el supuesto de decidir no conservar estos instrumentos de inversión hasta su fecha de madurez, el mercado secundario para éstos podría ser limitado e incluso inexistente. En ese sentido en caso de existir un mercado secundario, el precio de los instrumentos estará afectado por diversos factores independientes a la solvencia del Emisor tales como i) la falta de demanda, ii) el valor y volatilidad del subyacente, iii) la vigencia de los instrumentos, iv) el monto remanente de dichos instrumentos, iv) las tasas de interés aplicables, y v) el mercado para otro tipo de instrumentos financieros relacionados o no relacionados con los instrumentos aquí descritos.