

In this month's edition:

Scotia Funds: Performance at Glance	2
ECB rate pause impact on bond markets	3
Copper navigating trade headwinds	3
Budget balancing, bonds and BINs	4
Lowering unemployment and the prospects for growth	4
Port of opportunity: KWL alignment with the GLHI	5
Local Stock Market News	5

Upcoming Key Economic Events	
Country/Region	Event
	Tuesday, August 5, 2025
Eurozone	HCOB Eurozone Composite PMI
UK	S&P Global UK Composite PMI
USA	S&P Global US Composite PMI
	Wednesday, August 6, 2025
Canada	S&P Global Canada Composite PMI
	Thursday, August 7, 2025
UK	Bank of England Bank Rate
	Friday, August 8, 2025
Canada	Unemployment Rate
	Tuesday, August 12, 2025
USA	Consumer Price Index
	Thursday, August 14, 2025
UK	GDP QoQ
	Tuesday, August 19, 2025
Canada	Consumer Price Index
	Wednesday, August 20, 2025
UK	Consumer Price Index
Eurozone	Consumer Price Index
USA	FOMC Meeting Minutes

**Contributors:**

Najay Bailey  
[najay.bailey@scotiabank.com](mailto:najay.bailey@scotiabank.com)

Nicholas Hamilton  
[nicholas.hamilton@scotiabank.com](mailto:nicholas.hamilton@scotiabank.com)

Nickolye Graham  
[nickolye.graham@scotiabank.com](mailto:nickolye.graham@scotiabank.com)

Christano Meredith  
[christano.meredith@scotiabank.com](mailto:christano.meredith@scotiabank.com)

Jessee-Grant Myers  
[jessee-grant.myers@scotiabank.com](mailto:jessee-grant.myers@scotiabank.com)

Johnique Thompson  
[johnique.thompson@scotiabank.com](mailto:johnique.thompson@scotiabank.com)

Sharnakae Stewart, CFA  
[sharnakae.stewart@scotiabank.com](mailto:sharnakae.stewart@scotiabank.com)

## Scotia Funds™

# Performance at a glance

As of July 31, 2025

## Rates of return — Mutual Funds

	Inception Date*	NAVPS (\$)	1M (%)	3M (%)	6M (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	Since inception* (%)
<b>Scotia Funds (USD)</b>											
Scotia Money Market Fund	10/27/1999	15.37	0.30	0.92	1.85	2.18	4.14	4.12	2.48	1.64	1.68
Scotia US Dollar Bond Fund	12/21/1992	2.72	-0.22	0.55	2.66	3.07	1.94	1.04	-1.98	0.37	3.12
Scotia Global Equity Fund	06/23/1994	4.16	-0.16	7.64	7.86	11.62	3.70	8.02	6.81	5.18	4.69
Scotia US Equity Fund	10/27/1999	25.46	1.66	6.71	3.30	6.38	2.00	8.07	8.23	7.23	3.72
Scotia Canadian Equity Fund	06/23/1994	4.44	0.62	7.82	6.01	9.24	13.33	8.74	10.78	4.52	5.95
Scotia Caribbean Income Fund	03/31/2009	3.46	0.56	3.15	4.02	4.49	5.52	5.26	2.04	2.05	3.71
<b>Scotia Premium Funds (JMD)</b>											
Scotia Premium Money Market Fund	07/06/2011	100.00	0.40	1.22	2.54	3.08	6.05	6.80	4.79	3.79	4.37
Scotia Premium Fixed Income Fund	02/11/1994	57.23	0.62	1.91	3.31	4.64	7.26	6.55	4.27	5.49	8.84
Scotia Premium Growth Fund	06/23/1987	135.79	-0.08	0.37	-1.61	-0.74	7.22	0.85	3.21	12.20	11.95
Scotia Premium USD Indexed Fund	01/15/2016	134.31	0.67	5.71	7.56	8.85	9.71	5.78	4.48	n/a	5.59
Scotia Premium Short-Term Income Fund (JMD)	11/15/2021	108.90	0.45	1.21	2.43	2.93	6.19	7.54	n/a	n/a	6.78
Scotia Premium Short-Term Income Fund (USD)	11/15/2021	10.37	0.39	1.05	1.98	2.34	3.40	3.66	n/a	n/a	3.32

\*Inception date provided is the date of first deposit to the Fund.

Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus. Investors should carefully consider these before investing. Copies are available from the financial institution where you are buying the mutual fund and should be read carefully before investing. Performance is subject to variations and is likely to change over time. Past performance should not be treated as an indicator of future performance. The foregoing is for informational purposes only and is subject to change without notice. Always consult your professional tax and legal advisors with respect to your particular circumstances. Commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Share values and investment returns for the Funds will fluctuate. Mutual Funds are not guaranteed or covered by your local Deposit Insurance Corporation, other government deposit insurer, The Bank of Nova Scotia, or its subsidiaries/affiliates. The performance data provided for the Funds assumes reinvestment of distributions and does not take into account sales charges or fees, redemptions, distributions or taxes which would have reduced returns. The annual fee for Scotia Portfolios has been included in the performance returns for Scotia Portfolios. For incorporation date, please see the Fund's prospectus. ScotiaFunds is the brand name under which the Scotiabank group of companies, including Scotiabank & Trust (Cayman) Ltd. and Scotia Investments Jamaica Limited, markets and distributes mutual funds. Net Asset Value information of the ScotiaFunds can be found on Bloomberg, in the equities section, and on the Cayman Islands Stock Exchange (CSX), website www.csx.ky under "Scotiabank". Nothing herein is intended to constitute an offer or solicitation to transact business for products or services in any jurisdiction where such an offer or solicitation would be unlawful. This does not constitute an invitation to purchase or sell shares of the Funds. ® Registered trademark of The Bank of Nova Scotia, used under license.

## ECB rate pause impact on bond markets (2 mins)

In July 2025, the European Central Bank (ECB) opted to pause its rate-cutting cycle, holding its deposit rate steady at 2.0% after eight cuts since June 2024. This decision reflects a shift to a more cautious “meeting-by-meeting” approach as inflation is now at the ECB’s 2.0% medium-term target and global trade uncertainties, especially U.S. tariff risks, have intensified. The pause comes at a time when the Eurozone economy is steady but faces mounting pressures. Business surveys point to modest growth, recovery of lending activity, easing inflation expectations, and slowing wage growth, which collectively suggest a more stable inflation outlook. However, risks remain, as demographic challenges and a strong euro continue to weigh on exports, compounding the economic strain from trade tensions.

For Europe’s bond markets, the ECB’s July halt sets a more tempered tone for the rest of the year. The earlier cuts supported high-yield credit, with investors benefitting from attractive income and low default rates. However, with investment-grade spreads now well below historical averages, especially for high-grade bonds, return potential for the remainder of the year may be limited. High-yield could still deliver modest gains, albeit with less upside than earlier in the year. Compared to U.S. credit markets, Eurozone bonds offer a smoother, less volatile profile, reflecting more predictable monetary policy, conservative credit profile and fewer political and market shocks. On the other hand, U.S. credit markets remain sensitive to political developments, fiscal uncertainties, and Federal Reserve policy signals, resulting in greater volatility. Notwithstanding the higher volatility and downside risk, the U.S. credit markets appear to offer better return opportunities than the European counterpart, as spreads potentially have more room to widen. In contrast, Europe’s bond market, though supported by solid fundamentals and a low-volatility backdrop, offer limited upside, with spreads already compressed and the ECB on hold. While there may be a clear opportunity for greater return in U.S. credit markets, it may only be suitable for investors comfortable navigating event-driven swings.

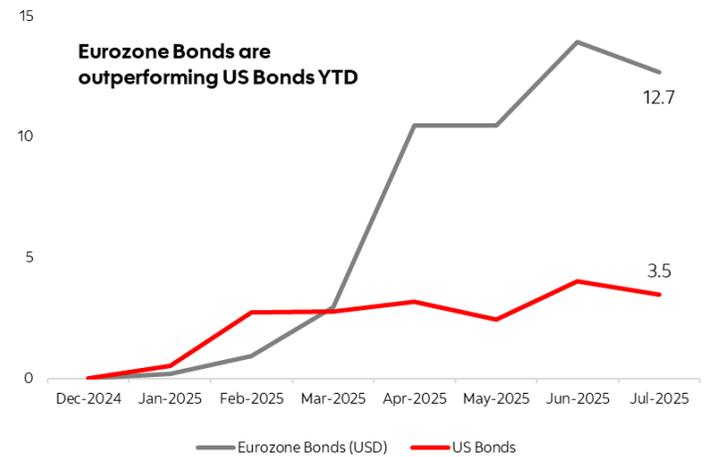
## Copper navigating trade headwinds (2 mins)

Copper prices are expected to enter a new phase of volatility following the Trump administration’s imposition of a 50% tariff on copper imports, effective August 1, 2025. Announced on July 8, 2025, as part of the government’s efforts to bolster national security by reducing reliance on foreign commodities, the tariff is expected to disrupt supply chains and increase input costs. The red metal, which plays a critical role in the power and construction industries, remains a strategic import for the US due to its importance to advanced technologies and the transition to greener energy. In 2024, the US used almost 1.6 million metric tonnes of copper, sourcing approximately 46% from abroad, primarily from Chile, Canada, Mexico and Peru. In this regard, the US is considered the world’s second largest consumer.

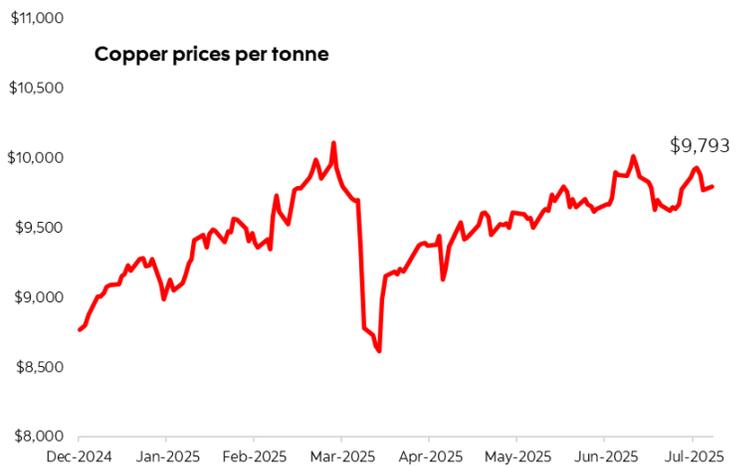
The new development is expected to impact copper producers, particularly Chile and Peru, which together account for nearly 40% of global copper output. While tariffs could lead to price volatility or reduced demand from the US, potentially affecting export revenues and fiscal income, analysts suggest that ongoing global supply constraints may help sustain prices. In response to shifting US trade policy, these countries are already exploring alternative markets, such as China, to redirect their exports. Moreover, the US is likely to remain a net importer of copper due to its limited domestic smelting capacity and weak investment appetite in the sector. As a result, demand for foreign copper will persist, even as copper exports become less concentrated to the US. This shift is contributing to a more fragmented

global copper market, with US prices trending higher than international benchmarks.

While the tariff may present a bullish case for exporters, with prices expected to edge up from US\$9,793.00 per metric tonne on July 28, 2025, to US\$9,804.69 in Q4-2025, it also introduces substantial risks. US industries heavily reliant on copper, particularly construction (which accounts for 42% of domestic use), manufacturing, and energy, are likely to face inflationary pressures, which may ultimately cascade to consumers. Furthermore, the 50% tariff is expected to add an estimated \$8.6 billion to the cost of imported copper, with downstream products like electrical cables and transformers seeing even higher markups. This could lead to reduced demand, especially in the energy sector, where copper is vital for grid expansion and EV infrastructure. For investors, this development reinforces Chile and Peru as dominant copper producers and resilient sovereign options, with diversified export pathways that could drive robust fiscal revenues and support economic growth.



Source: Bloomberg



Source: Bloomberg

Indices	Value	MoM	YTD
S&P 500 Index	6,339.39	2.2%	7.8%
SPTSX Index	27,259.80	1.5%	10.2%
MSCI World Index	4,076.04	1.2%	9.9%

Source: Bloomberg

## Budget balancing, bonds and BINs (2 mins)

Developments in July 2025, including the tabled Supplementary Estimates and shifts in the Government’s liability management strategy, raise important considerations for the fiscal and debt trajectory in FY 2025/26. The First Supplementary Estimates for the FY 2025/26 was tabled during the month, reflecting additional expenditures and revenues. Total expenditure was revised to \$1,106.0B, a \$10.5B or 1.0% increase relative to the approved budget. The breakdown reveals a 1.8% increase in recurrent expenditure, reflecting increased allocations to ministries, departments, and agencies. Capital Expenditure was lowered by \$4.9B to \$57.7B due to reduced allocations to the Shared Prosperity through Accelerated Improvement to Our Road Network (SPARK) program and contingencies. On the revenue side, there is a projected increase of J\$10.7B to J\$1,106.1B, reflecting higher non-tax and tax collection. The adjustment to the non-tax revenue budget reflects expectations of higher than programmed flows from the Montego Bay Airport Revenue Finance Limited (MOAIR) bond. The line item is also expected to be impacted by funds that will be remitted from the accounts of the Petroleum Corporation of Jamaica following its reintegration with the Government. With respect to tax revenues, following legislative/regulatory amendment, J\$1.1B is expected to be driven by reclassified GCT collections associated with subsidies to be paid on electricity rates. Arising from the foregoing amendments, the Government is expected to maintain its projected balanced budget for the fiscal year.

While the supplementary estimates suggest that the GoJ remains committed to its balanced budget target for FY2025/26, indications are that there will be an adjustment to the debt financing approach. The GoJ initially outlined plans to raise roughly J\$90.0B and J\$68.0B on the domestic and international markets, respectively. The domestic issuances were broken down to J\$68.0B from Benchmark Investment Notes (BIN), with the balance raised from Treasury Bills. On the external side, the funds were to be derived primarily from a green bond to be offered in collaboration with the Inter-American Development Bank (IDB). However, progress on this initiative has not been sufficient to support the bond offering during FY2025/26. Consequently, the GoJ will be raising additional funds on the domestic market by offering additional BINs over the remaining months of FY2025/26. In the latter half of July 2025, the GoJ offered two BINs in addition to the one outlined in its issuance calendar for a total of J\$17.5B relative to an expected J\$13.5B.

Notwithstanding these developments the GoJ expects that the debt-to-GDP target for FY2025/26 will be achieved. However, risks remain. The increased reliance on the local sources accelerates the GoJ’s strategy towards a more locally anchored debt composition with extended maturities. While higher reliance on domestic debt in the current year may help to achieve structural debt objectives, it could increase debt serving costs over the short term as domestic instruments will be more costly than green bonds which generally offer concessionary rates. The higher interest costs could threaten the achievement of the fiscal target. However, the increased issuances of BINs may offer additional opportunities for investors seeking exposure across the yield curve.

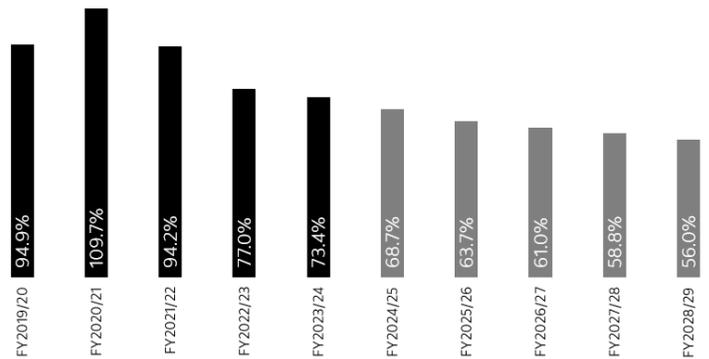
## Lowering unemployment and the prospects for growth (2 mins)

The Statistical Institute of Jamaica (STATIN) published the findings from the April 2025 Labour Force Survey (LFS) which indicated a historic low unemployment rate of 3.3% (4.2% April 2024). Driving the decline was a 1.7% increase in the employed labour force and a 0.8% increase in the size of the labour force. The data also indicate a 0.5% increase in the labour force participation rate, primarily driven by the Services & Sales Workers and

Professionals categories. The Services and Sales Worker group added 21,200 jobs (6.5%) compared to April 2024. Furthermore, the Public Administration & Defence; Compulsory Social Security added 8000 more jobs relative to 2024, likely the result of capacity building in national security.

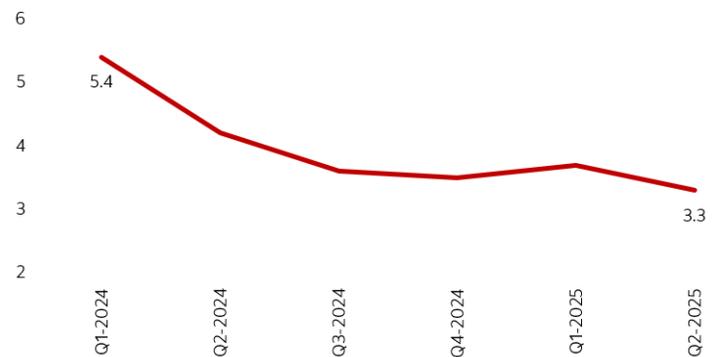
The record low unemployment could serve as a bellwether for further economic growth. In particular, increased employment has already been observed in the consumer facing sectors, signaling rising economic activity that could have spillover effects on other segments of the economy, including investment levels. Sustained investment across key industries like Business Process Outsourcing (BPO), Construction and Tourism, could continue to strengthen domestic consumption and drive economic growth. Moreover, increased human resource capacity observed in national security should provide added impetus to growth as the crime rate decreases. This is already evident in the tourism sector where the improvement in national security supported an upgrade in the US travel advisory that should drive increased tourist arrivals over the medium term.

### Debt to GDP Trajectory



Source: MoF

### Unemployment Rate (LUI) (%)



Source: STATIN

## Port of opportunity: KWL alignment with the GLHI (2 mins)

The Government of Jamaica is advancing its Global Logistic Hub Initiative (GLHI), which aims to leverage Jamaica's strategic location in relation to the major trade lanes while building on established logistics connections and existing infrastructure. Under this Initiative, the GoJ will champion key infrastructure developments, including the realignment of Marcus Garvey Drive, the relocation of Tinson Pen Aerodrome to Norman Manley International Airport, and the expansion of highways, airports, rail networks and logistics parks. This will be supported by land development and training programs led by the Caribbean Maritime University.

Given its demonstrated commitment to facility expansion and expansion of its logistics reach, Kingston Wharves Limited (KWL) emerges as a key player in this transformation. In recent years, the company has boosted its logistics capacity through the Berth 7 redevelopment to accommodate larger vessels, the acquisition of cargo handling equipment and investments in additional warehouse space. To build on these gains, KWL has committed to future investments of US\$100M for further berth expansion, dredging and rehabilitation of port infrastructure and equipment acquisition. KWL will also develop a logistics facility in western Jamaica and construct a multi-level car park to support growing auto trans-shipment services to 45 countries, including Australia and New Zealand.

KWL has historically demonstrated steady revenue growth, with a five-year CAGR of 6.3% for the 2019 - 2024 period. This was driven by Terminal Operations and Logistics Services, which grew by 3.4% and 12.8%, respectively. However, during the same period, cost of sales grew at a higher CAGR of 9.6%, contributing to average net income growth of just 0.7%. Profitability was also tempered by higher depreciation arising from significant capital expenditure undertaken over the period. While near-term profitability might remain compressed by CAPEX, it is anticipated that strategic investment and the alignment with the GLHI will drive revenues and higher profits in the medium to long-term. Moreover, the company's conservative debt profile provides the flexibility to fund expansion through additional borrowing, if required. The company also offers an attractive valuation as it trades at a P/E ratio of 15.8x compared to the sector average of 21.8x, indicating that earnings are cheaper per share relative to its peers. The stock also trades below its book value per share of \$33.80 as it closed at \$30.78 at the end of trading on July 31, 2025.

KWL's alignment with the GLHI agenda, its strong fundamentals, its prospects for improved earnings as well as its attractive valuation suggest that there is long-term upside potential for investors.

## Local Stock Market News (2 mins)

- Sagicor Select Funds Limited disclosed that a hybrid meeting will be held for holders of its class B ordinary stock on August 19, 2025, to consider conversion of the shares to a unit trust.
- NCB Financial Group Limited announced it raised US\$225M with a coupon of 11% with a five-year tenure. The notes are callable in 2027 and are secured by GHL shares. The proceeds will be used to refinance existing debt.

- Purity secured J\$600M under a 10-year credit facility from Sagicor Bank Jamaica Limited. The funds will be used for refinancing of existing debt, capital expenditure and working capital needs.
- Supreme Ventures Limited (SVL) declared a dividend of J\$0.2693 payable on September 18, 2025, to shareholders on record as at August 19, 2025.
- The Jamaica Stock Exchange (JSE) declared a dividend of J\$0.2009 payable on August 28, 2025, to shareholders on record as at August 15, 2025.
- GraceKennedy Limited will make an interim dividend payment on September 22, 2025, of J\$0.55 to stockholders on record as at August 29, 2025.
- Kingston Properties Limited (KPREIT) declared a dividend of US\$0.000566 payable on August 26, 2025, to shareholders on record as at August 05, 2025.
- Access Financial Services Limited (AFS) has declared dividend payments of J\$0.12 per share for the quarter ended March 31, 2025, and J\$0.10 per share for the quarter ended June 30, 2025. These dividends are payable on August 29, 2025, to shareholders on record as of August 15, 2025.
- TJH has advised that shareholders that purchased USD shares are now able to elect for dividend payments to be received in USD.
- Portland JSX Limited (PJX) announced that its Annual General Meeting will be held at 10:30 a.m. (St. Lucia time) on Wednesday October 1, 2025.

## Market activity (1 min)

For July 2025, the JSE All Jamaican Composite Index declined by 12,325.12 points, 3.35% month-over-month (MoM), to close at 355,541.42. The Main Market Index declined by 8,709.91 points, 2.74% MoM, to close at 308,603.07. The Main Market had 65 stocks traded, with 23 advancing, 37 declining and 5 trading firm. Volume leaders included Wigton Energy Limited (24.28% of trades), TransJamaican Highway Limited (22.32%) and Sagicor Select Funds Limited - Financial (7.67%).

The Junior Market Index advanced by 34.82 points or 1.00% MoM to close at 3,511.03. Market activity ended with 47 stocks traded, of which 18 advanced, 27 declined and 2 traded firm. Volume leaders for the month were R.A. Williams Distributors Limited (58.23%), Cargo Handlers Limited (16.49%), and One on One Educational Services Limited (5.68%).

Sector	Top Advancers*	Top Decliners*
Finance	N/A	NCBFG
Conglomerate	ASBH	PJAM
Other	PAL	SVL
Manufacturing	BRG	SALF
Real Estate	CPFV	SRFJMD

\*Based on percentage price increase month-over-month  
Source: JSE, SIJL (Main Market)

Recently Released Key Economic Events				
Country/Region	Event	Actual	Forecast	Previous
Tuesday, July 8, 2025				
USA	NY Fed 1-Yr Inflation Expectations	3.0%	3.1%	3.2%
Wednesday, July 9, 2025				
USA	FOMC Meeting Minutes	--	--	--
Friday, July 11, 2025				
UK	Manufacturing Production MoM	-1.0%	-0.1%	-0.9%
UK	Manufacturing Production YoY	0.3%	0.4%	0.4%
Canada	Unemployment Rate	6.9%	7.1%	7.0%
Tuesday, July 15, 2025				
USA	CPI MoM	0.3%	0.3%	0.1%
Canada	CPI YoY	1.9%	1.9%	1.7%
USA	CPI YoY	2.7%	2.6%	2.4%
Wednesday, July 16, 2025				
UK	CPI MoM	0.3%	0.1%	0.2%
UK	CPI YoY	3.6%	3.4%	3.4%
USA	PPI Final Demand MoM	0.0%	0.2%	0.1%
USA	PPI Final Demand YoY	2.3%	2.5%	2.6%
Thursday, July 17, 2025				
UK	ILO Unemployment Rate 3Mths	4.7%	4.6%	4.6%
Eurozone	CPI YoY	2.0%	2.0%	2.0%
Eurozone	CPI MoM	0.3%	0.3%	0.3%
Thursday, July 24, 2025				
Eurozone	HCOB Eurozone Manufacturing PMI	--	49.8	49.5
Eurozone	HCOB Eurozone Composite PMI	51.0	50.7	50.6
UK	S&P Global UK Manufacturing PMI	--	48.0	47.7
UK	S&P Global UK Composite PMI	51.0	51.8	52.0
USA	S&P Global US Manufacturing PMI	--	52.7	52.9
USA	S&P Global US Composite PMI	54.6	52.8	52.9
Wednesday, July 30, 2025				
Canada	Bank of Canada Rate Decision	2.8%	2.8%	2.8%
USA	FOMC Rate Decision (Upper Bound)	4.5%	4.5%	4.5%
USA	FOMC Rate Decision (Lower Bound)	4.3%	4.3%	4.3%
Thursday, July 31, 2025				
Eurozone	Unemployment Rate	6.2%	6.3%	6.3%
Canada	GDP MoM	-0.1%	-0.1%	-0.1%
Canada	GDP YoY	1.2%	1.1%	1.3%
USA	PCE Price Index YoY	2.6%	2.5%	2.3%
Friday, August 1, 2025				
Eurozone	HCOB Eurozone Manufacturing PMI	49.8	49.8	49.8
UK	S&P Global UK Manufacturing PMI	48.0	48.2	48.2
Eurozone	CPI MoM	0.0%	-0.1%	0.3%

**DISCLAIMER**

This report has been prepared by the research analysts of Scotia Investments Jamaica Limited (“SIJL”). SIJL, subsidiary of Scotia Group Jamaica Limited, is a securities dealer regulated by the Financial Services Commission. This report is not intended to provide personal investment advice. Please be advised that the analysts are not licensed security dealers or investment advisors. Investors should seek advice regarding the suitability of any investments or strategies discussed in this report. They do not constitute any prediction of likely future movement in rates or prices or any representation that any such future movements will not exceed those shown in any illustration. Opinions, estimates and projections are those of the SIJL research analysts at the time that this report was prepared, and those opinions, estimates and projections are subject to change without notice. There is no obligation to or fixed schedule for updating any SIJL research recommendations and there can be no assurances that any updates will be provided.

Individuals involved in the production of research materials operate independently and without influence from any other SIJL and Scotiabank Group departments including Scotiabank Group affiliates. This report is not and is not to be construed as (i) an offer to sell or solicitation of an offer to buy securities or to enter into any transaction or adopt any hedging, trading or investment strategy (ii) an offer to transact business in any jurisdiction or (iii) investment advice to any party.

Any opinions or views expressed or referenced by the research analysts will always be based on numerous assumptions. Different assumptions could result in materially different results than those contained in a report and as well these assumptions may not be realized. Should one or more of such risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those described in any report or recommendation.

SIJL research analysts’ reports may discuss investments that have high volatility, and which may experience sudden and large changes in value that may result in the investor losing all or part of their capital invested.

Research reports are for general purposes only and does not take into account your individual needs, investment objectives and specific financial circumstances. Investment involves risk, such as a risk of no yield or the risk of losing some or all of the capital invested. Several factors could cause the actual results, performance or achievements of the companies on instruments described in any report or recommendation to be materially different from any future results performance or achievements that may be expressed or implied by statements and information in the report, including, but not limited to risks or uncertainties associated with a company’s business, segments, development, growth management, financing, market acceptance and relations with customers and counterparties.

An investment will also involve risks related to general or external economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors such as risk related to political and economic uncertainties as well as currency risk.

Product and services described herein are only available where they can be lawfully provided.

**Principal and agent**

SIJL, a subsidiary of the Scotiabank Group, an Investment Dealer licensed to deal in securities under the Securities Act of Jamaica. Any member of the Scotiabank Group may buy or sell securities both for its own account as a principal or as an agent. SIJL, its directors, or other officers may have a position in, or engage in transactions in any of the securities mentioned herein.

**Limitation of liability**

Research reports are prepared without regard to any particular investors objectives financial situation or needs and does not provide individually tailored investment advice or offer tax regulatory accounting or legal advice. The securities discussed in the research reports will not be suitable for all investors.

SIJL and or its affiliates and associated persons may provide oral or written market commentary or trading strategies to clients that reflect opinions that are contrary to the opinions expressed in a research report.

Neither SIJL nor any of its affiliates or any such persons affiliates officers employees or advisers accept any liability whatsoever as to any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the documents due to any content or associated services, and accordingly, expressly disclaim any and all liabilities for any and all losses whether direct or indirect related to investments caused by or motivated by any of such documents. Any

person receiving or material is deemed to have accepted this disclaimer which shall apply also should the estimates or opinions shown turn out to be everyone else or incomplete or based upon incorrect or incomplete facts, interpretations or assessments or assumptions by SIJL, and irrespective of whether SIJL or any person related to SIJL is at fault.

Users of this document should seek advice from a licensed investment advisor regarding the appropriateness and suitability of investing in any securities, financial instruments or investment strategies referred to in this document and should understand that statements regarding future prospects may not be realized. Prior to entering into any proposed transaction, recipients should determine in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences of the transaction.

**Compensation schemes for analysts**

SIJL may have acted as arranger for the security being reviewed or may have offered investment banking services to the issuer of the subject security. This report has not been reviewed or amended by the issuer of the instrument covered in this report. SIJL has no agreements with issuers with respect to dissemination of recommendations. Our analysts have not been, nor are or will be, receiving direct or indirect compensation in exchange for expressing any of the views or the specific recommendation contained in any of our recommendations or reports. The research analysts are eligible to remuneration from a general performance incentive scheme.

**Investment Services and duty of Confidentiality**

All employees of SIJL are subject to duty of confidentiality towards clients and with respect to handling of inside information. Scotiabank Group has established information barriers (Chinese Walls) to separate departments within the organization where potential conflicts of interest may arise. The research analysts are separated from the corporate and investment banking departments in order to control the flow of information and are subject to internal rules or policies on the handling of inside and other confidential information, unpublished research material and contact with other departments. The object of these internal rules or policies is to ensure that no analysts will abuse or cause others to abuse confidential information. The information barriers consist of a number of measures in order to prevent and or reduce the risk for sensitive information to fall to an authorized third party and for the purpose of minimizing conflicts of interests within a SIJL and between clients.