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| Upcoming Key Economic Events | |
|---|---|
| **Country/Region** | **Event** |
| Wednesday, August 12, 2026 | |
| USA | Consumer Price Index |
| Thursday, August 13, 2026 | |
| UK | Gross Domestic Product |
| USA | PPI Final Demand YoY |
| Monday, August 17, 2026 | |
| Canada | Consumer Price Index |
| Wednesday, August 19, 2026 | |
| UK | Consumer Price Index |
| Eurozone | Consumer Price Index |
| USA | FOMC Meeting Minutes |
| Friday, August 21, 2026 | |
| UK | S&P Global UK Manufacturing PMI |
| USA | S&P Global US Manufacturing PMI |
| Wednesday, August 26, 2026 | |
| USA | PCE Price Index YoY |
| Friday, August 28, 2026 | |
| Canada | Gross Domestic Product |

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Scotia Funds™

# Performance at a glance

As of July 31, 2026

## Rates of return — Mutual Funds

| | Inception Date* | NAVPS ($) | 1M (%) | 3M (%) | 6M (%) | YTD (%) | 1 Yr (%) | 3 Yr (%) | 5 Yr (%) | 10 Yr (%) | Since inception* (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Scotia Funds (USD)** | | | | | | | | | | | |
| Scotia Money Market Fund | 10/27/1999 | 15.89 | 0.27 | 0.79 | 1.63 | 1.89 | 3.41 | 4.14 | 3.17 | 1.98 | 1.75 |
| Scotia US Dollar Bond Fund | 12/21/1992 | 2.76 | -1.49 | -1.18 | -1.57 | -1.50 | 1.39 | 2.84 | -1.69 | 0.02 | 3.07 |
| Scotia Global Equity Fund | 06/23/1994 | 4.99 | 3.70 | 7.71 | 7.70 | 9.47 | 19.96 | 11.92 | 6.09 | 7.41 | 5.13 |
| Scotia US Equity Fund | 10/27/1999 | 28.29 | 0.25 | 2.35 | 1.47 | 3.20 | 11.10 | 9.25 | 5.46 | 8.03 | 3.99 |
| Scotia Canadian Equity Fund | 06/23/1994 | 5.39 | 1.83 | 3.67 | 11.14 | 11.46 | 21.49 | 14.07 | 9.21 | 7.52 | 6.41 |
| Scotia Caribbean Income Fund | 03/31/2009 | 3.47 | -0.70 | -0.16 | 0.34 | 0.51 | 3.29 | 4.54 | 1.81 | 2.04 | 3.68 |
| **Scotia Premium Funds (JMD)** | | | | | | | | | | | |
| Scotia Premium Money Market Fund | 07/06/2011 | 100.00 | 0.34 | 1.05 | 2.09 | 2.46 | 4.33 | 5.93 | 5.49 | 3.70 | 4.36 |
| Scotia Premium Fixed Income Fund | 02/11/1994 | 58.80 | 0.27 | 1.06 | 1.32 | 1.35 | 2.75 | 5.58 | 4.02 | 5.00 | 8.58 |
| Scotia Premium Growth Fund | 06/23/1987 | 155.34 | 5.63 | 7.93 | 9.76 | 13.19 | 14.40 | 8.50 | 2.52 | 9.00 | 12.05 |
| Scotia Premium USD Indexed Fund | 01/15/2016 | 134.17 | -0.08 | 0.44 | 1.38 | 0.39 | 2.39 | 5.65 | 2.91 | 5.14 | 5.28 |
| Scotia Premium Short-Term Income Fund (JMD) | 11/15/2021 | 109.51 | 0.37 | 1.15 | 1.89 | 2.28 | 4.14 | 6.40 | n/a | n/a | 6.22 |
| Scotia Premium Short-Term Income Fund (USD) | 11/15/2021 | 10.42 | 0.03 | 0.49 | 1.15 | 1.42 | 2.83 | 3.43 | n/a | n/a | 3.22 |

*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.

**Selective earnings resilience amid higher energy costs** *(2 mins)*

The latest U.S. earnings season is reinforcing a key message for investors: corporate America remains resilient but rising energy costs and geopolitical uncertainty are creating new challenges. With about two-thirds of S&P 500 companies having reported second-quarter results, earnings growth has remained solid despite concerns about higher oil prices, supply-chain disruptions, and the broader economic impact of Middle East tensions. However, the results also reveal a growing divergence beneath the surface, with a relatively small group of sectors carrying much of the market's earnings momentum.

According to Bloomberg, the S&P 500 is on track to deliver earnings growth of about 10.3% year-over-year, marking a third consecutive quarter of double-digit growth. Approximately 82% of companies have exceeded earnings expectations, while 79% have beaten revenue forecasts. However, much of the earnings strength has been concentrated in Communication Services, Information Technology, and Financials. The strong performance in these sectors has been supported by digital advertising, cloud computing, artificial intelligence (AI) demand, and healthy capital-markets activity, while financial firms continue to benefit from relatively high interest rates.

The picture is less uniform elsewhere. Consumer Discretionary companies face pressure from higher fuel costs and cautious household spending, while Industrials and Materials are struggling with rising transportation, freight, and input costs. Consumer Staples firms are generally more resilient, but they are still grappling with softer volumes, wage pressures, packaging costs, and consumer resistance to further price increases. Energy companies are benefiting from higher crude prices, but that support is being partly offset by price volatility, elevated operating costs, and uncertainty around production and shipping flows. Across sectors, management teams are responding with cost control, productivity improvements, automation, and supply-chain optimization, but results suggest that companies with stronger pricing power and healthier margins are better positioned.

This uneven sector performance reinforces the importance of diversification and quality. Global market gains are increasingly being driven by a narrower group of companies and sectors, leaving concentrated portfolios more exposed to shifts in sentiment, costs, and interest-rate expectations. While higher oil prices may support energy-sector earnings, they can also raise inflation risks, pressure consumer spending, and keep global interest rates elevated. These forces can negatively affect portfolios that have concentrated sector exposures.

In this environment, investors should maintain exposure across growth, defensive, and income-generating assets, while favouring companies and issuers with strong balance sheets, reliable cash flows, pricing power, and the ability to protect margins in a higher-cost environment.

**Global growth under fire** *(2 mins)*

The World Bank's June 2026 Global Economic Prospects report points to a more difficult global economic environment ahead, with growth forecast to slow to 2.5% in 2026 from 2.9% in 2025. Economic activity in advanced economies is expected to moderate to 1.5%, while growth in emerging market and developing economies (EMDE) is projected to ease to 3.6%, marking the weakest pace of expansion since 2020.

A key feature of the report is its assessment of three potential outcomes stemming from the conflict in the Middle East. Under the baseline scenario, energy market disruptions gradually ease, allowing global growth to stabilize and inflationary pressures to moderate over time. Under the energy stress scenario, a prolonged disruption to oil supply raises prices significantly, accelerates inflation and reduces global growth to 2.1% as higher energy costs squeeze households, businesses and governments. Under the most severe scenario, which combines sustained energy market disruptions with tighter financial conditions and heightened market volatility, growth could fall to 1.3% in 2026 as headline inflation rises to around 4.5%.

The relevance of these scenarios has grown in recent months as tensions in the Middle East intensified. Highlighting this concern, World Bank Chief Economist Indermit Gill recently warned that escalating hostilities between the US and Iran have brought the world uncomfortably close to the report's worst-case scenario. According to Gill, a conflict lasting six months or longer could reignite inflation, force interest rates higher and place additional strain on heavily indebted developing countries. He also noted that damage to energy infrastructure and disruptions to key shipping routes could worsen food insecurity by affecting the supply of agricultural inputs such as fertilizer and sulphur.

The global economic outlook therefore remains highly dependent on geopolitics, particularly the developments in the Middle East. While the baseline scenario still anticipates a gradual easing of pressures, risks remain firmly skewed to the downside. Further disruptions to commodity flows could prolong inflation, delay interest-rate reductions and weaken growth across both advanced and developing economies. These risks underscore the possibility of a more volatile and uncertain market environment.

Against this backdrop of heightened uncertainty, investors may need to place a greater emphasis on portfolio resilience. Maintaining a diversified portfolio remains critical in an environment where geopolitical events can quickly reshape economic outcomes. Defensive assets, including high-quality bonds, stable dividend-paying companies and businesses with strong balance sheets and predictable cash flows, should remain central to portfolio construction. While periods of uncertainty often create opportunities, preserving capital and prioritizing quality may prove just as important as pursuing growth in the months ahead.

| | 2023 | 2024 | 2025e | 2026f | 2027f | 2028f |
|---|---|---|---|---|---|---|
| **World** | **2.8** | **2.9** | **2.9** | **2.5** | **2.8** | **2.8** |
| **Advanced Economies** | **1.6** | **1.8** | **1.8** | **1.5** | **1.8** | **1.7** |
| **Emerging Market & Developing Economies** | **4.3** | **4.4** | **4.4** | **3.6** | **4.2** | **4.1** |

Source: World Bank

| Indices | Value | MoM | YTD |
|---|---|---|---|
| S&P 500 Index | 7,758 | 3.4% | 13.3% |
| SPTSX Index | 36,381 | 3.1% | 14.7% |
| MSCI World Index | 5,008 | 3.4% | 13.0% |

Source: Bloomberg

**GOJ domestic debt: strong demand, selective duration** *(3 mins)*

The Government of Jamaica's (GoJ) domestic borrowing programme has taken on added significance in FY2026/27, as the Government continues to lean more heavily on the local market to fund its borrowing needs. During the Budget presentation, the Minister of Finance signalled that domestic financing would account for 60.7% of the GOJ's J$247.1 billion borrowing requirement. This is consistent with the Medium-Term Debt Management Strategy's emphasis on reducing foreign currency exposure and deepening the local debt market. Beyond meeting debt service and financing obligations, GOJ issuances serve as an important gauge of investor appetite, liquidity conditions and market expectations for the future path of domestic interest rates.

Auction results to date suggest that demand for local GoJ debt remains broadly robust. Between April and July 2026, the GOJ raised approximately J$73.55 billion through Benchmark Investment Note (BIN) auctions, successfully allocating more than 98% of the J$75.0 billion offered. However, investor preferences were not uniform across all maturities. The 2031 notes were consistently fully subscribed, while some longer-dated instruments attracted more measured demand. The 2046 BIN, for example, was only partially allocated in two separate auctions, and the July 2026 reopening of the 2040 BIN was marginally under-allocated.

These results point to a market that is still supportive of GoJ debt, but more discriminating about how far out they invest. Stronger demand for the short and medium-term notes suggests that investors are comfortable lending to the Government over shorter timeframes. This preference also reflects the fact that longer-term bonds are more sensitive to changes in interest rates; if interest rates rise, their prices typically fall more sharply, which can reduce the value of an investor's portfolio. Softer demand for longer-term notes does not necessarily signal a lack of appetite for longer-dated GoJ debt. Rather, investors may still be willing to buy longer-term GOJ debt, but only if the yield is high enough to compensate for the extra risk.

The proposed borrowing calendar will therefore be important to watch. It will show how the GoJ plans to raise funds and how those plans could affect interest rates across different maturities. If future borrowing remains focused on short and medium-term notes, yields on these tenors could move higher. At the same time, issuing fewer longer-term notes could help reduce pressure on very long-term yields. However, if the GoJ offers more longer-term debt, investors may ask for higher yields before committing money for a longer period.

For investors seeking exposure to local GoJ debt, the key takeaway is to be selective across maturities. Short and medium-term BINs may offer a better balance of yield, liquidity and interest rate risk while monetary policy expectations remain unsettled, though yields in these segments may also respond to heavier issuance. Longer-dated instruments can still play a role for investors seeking income over a longer period, but recent auction results and the proposed issuance calendar suggest that the market may continue to demand a higher premium for committing to long-term notes.

**GOJ Benchmark Investment Notes: Maturity Demand Heatmap**

*Amount raised by maturity and auction - J$ billions; darker cells indicate stronger demand*

| Maturity | Apr. 24 | 27-May | Jul. 24 | Total |
|---|---|---|---|---|
| 2031 | 15.00B | 12.00B | 16.00B | 43.00B |
| 2035 | | 5.00B | 5.00B | 10.00B |
| 2040 | 5.00B | | 3.91B | 8.91B |
| 2046 | 2.62B | 3.00B | 4.02B | 9.64B |
| 2050 | 2.00B | | | 2.00B |
| Total | 24.62B | 20.00B | 28.93B | 73.55B |

**TJH: more than a momentum trade** *(3 mins)*

The Main Market of the JSE posted strong performance since the start of 2026, rising by 11.3% for the six months to June and a further 5.7% in July, with leadership concentrated in a small group of stocks. Among the standouts is TransJamaican Highway Limited (TJH), which increased 122.3% for the calendar year to July 31, reflecting renewed investor interest in the stock and confidence in the company's improving operating outlook.

TJH's rally is being supported by strong fundamentals. For 2025, revenue increased 10.1% to US$91.2 million, while net profit rose 20.9% to US$37.9 million, supported by higher traffic volumes and lower financing costs. This momentum carried into 2026, with first-quarter revenue and earnings recording robust growth following the addition of the May Pen to Williamsfield corridor to the network. Management has also steadily increased shareholder distributions, reinforcing TJH's reputation as an income-generating stock.

In addition to the strong financial results, the market is also being encouraged by the company's strategic plans which suggests that the growth story is far from over. Beyond maximizing traffic and operational efficiency on its existing highway network, TJH is actively exploring opportunities to participate in future infrastructure developments, including the Montego Bay Perimeter Road project and other proposed highway expansions. In addition to these plans, management has also emphasized the potential for continued dividend growth as debt obligations decline and profitability improves over time.

Another important lever for the recent rally could be the proposed privatization of Scotia Group Jamaica (SGJ) which is set to inject J$54.0 billion in liquidity towards the end of 2026. Indications are that investors are proactively positioning for this liquidity event, with TJH emerging as a potential beneficiary of the flurry of reinvestment activity that is expected to arise.

Notwithstanding these positive developments, investors should also be careful not to overlook the risks that come with such a sharp rally. TJH's year-to-date gain suggests that a meaningful amount of optimism may already be reflected in the share price, leaving the stock more vulnerable to profit-taking or disappointment if earnings growth, dividend increases or infrastructure opportunities fall short of expectations. In addition, while

potential liquidity from the SGJ privatization could support demand for large, liquid names, those flows are not guaranteed and may be spread across several asset classes. This means the investment case for TJH should rest less on near-term market momentum and more on the company's ability to sustain traffic growth, manage costs, reduce debt and convert future expansion plans into durable earnings and cash flow.

For investors, the key takeaway is that TJH's rally should be assessed through the strength of its underlying business, not market momentum alone. The company's stable earnings, strong growth prospects, and ability to pay dividends support its investment appeal. However, given the significant rise in the share price, investors should pay close attention to valuation when considering the stock.

## Market activity *(1 min)*

For July 2026, the JSE All Jamaican Composite Index advanced by 26,105.47 points, or 6.22% month-over-month, to close at 445,549.88. The JSE Main Market Index increased by 20,153.47 points, or 5.70%, ending the month at 374,012.30. Overall activity on the Main Market resulted from trading in 67 stocks, of which 27 advanced, 37 declined and 3 traded firm. Market volume amounted to 409.9M units valued at approximately J$4.42B. Trading activity was again concentrated in a few heavily traded names, with TransJamaican Highway Limited leading volume at 130.4M units, or 31.80% of market volume, followed by Wigton Energy Limited with 77.1M units, or 18.81%, and Sagicor Select Funds Limited - Financial with 25.6M units, or 6.24%.

Market Quote for Month Ending July 31, 2026

| Index | Opening Value | Closing Value | Total Volume | Value (J$) | MTD Change | YTD Change |
|---|---|---|---|---|---|---|
| Main Market | 353,858.83 | 374,012.30 | 409,892,417 | 4,415,962,922.14 | 5.70% | 17.62% |
| Junior Market | 3,088.64 | 2,976.70 | 265,567,132 | 380,188,897.93 | -3.62% | -12.49% |

Source: JSE, SIJL

On the Junior Market, activity was driven by trading in 47 securities, of which 16 advanced and 28 declined, and 3 traded firm. Volume leaders for the month included Derrimon Trading Company Limited at 53.1 million units, representing 20.00 of total volume. Elite Diagnostic Limited followed with 33.6 million units (12.67%), while Woodcats International Limited accounted for 21.2 million units (7.98%).

| Sector | Top Advancers* | Top Decliners* |
|---|---|---|
| Finance | N/A | LASF |
| Manufacturing | KREMI | SPURTREE |
| Insurance | CABROKERS | ROC |
| Other | IPCL | MEEG |
| Retail | MDS | DTL |

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

| Sector | Top Advancers* | Top Decliners* |
|---|---|---|
| Finance | NCBFG | QAINC |
| Conglomerate | ASBH | JP |
| Other | MPCCEL | PAL |
| Manufacturing | SELECTMD | BRG |
| Real Estate | SRFJMD | CPFV |

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

## Local Stock Market News *(1 min)*

- One Great Studio (1GS) has announced its acquisition of FarmHouse Creative Marketing Limited, a Jamaican based creative agency for J$36.0M, including a J$13.25M performance-based earnout over 3 years. Established in 2003, FarmHouse Creative provides relationship-driven marketing services to hospitality, real estate, consumer, and lifestyle brands.
- Dolphin Cove Limited (DCOVE) has advised that its Annual General Meeting will be held on August 17, 2026, at 2:30 p.m. at the Courtleigh Hotel & Suites. DCOVE also disclosed that an independent valuation of its land and buildings in Jamaica resulted in an approximately US$2.6 million upward revaluation, increasing the carrying value of its property, plant, and equipment.
- VM Investments Limited (VMIL) announced that its J$4.0 billion unsecured bond offer was 20% oversubscribed, prompting the company to increase the issue size to J$4.8 billion.
- LASCO Manufacturing Limited (LASM) declared a dividend of J$0.20 per share payable on August 28, 2026, to shareholders on record as of August 14, 2026.
- LASCO Distributors Limited (LASD) declared a dividend of J$0.09 per share payable on August 28, 2026, to shareholders on record as of August 14, 2026.
- Supreme Ventures Limited (SVL) declared a dividend of J$0.2635 per share payable on September 30, 2026, to shareholders on record as of August 17, 2026.
- The Jamaica Stock Exchange (JSE) declared a dividend of J$0.1712 per share payable on August 31, 2026, to shareholders on record as of August 17, 2026.
- Gracekennedy Limited (GK) declared a dividend of J$0.70 per share payable on September 21, 2026, to shareholders on record as of August 28, 2026.
- Massy Holdings Limited (Massy) declared a dividend of TT$ 0.0354 per share payable on September 25, 2026, to shareholders on record as of August 28, 2026.

| Recently Released Key Economic Events | | | | |
|---|---|---|---|---|
| **Country/Region** | **Event** | **Actual** | **Forecast** | **Previous** |
| | Tuesday, July 14, 2026 | | | |
| USA | CPI YoY | 3.5% | 3.8% | 4.2% |
| | Wednesday, July 15, 2026 | | | |
| Canada | Bank of Canada Rate Decision | 2.3% | 2.3% | 2.3% |
| | Friday, July 17, 2026 | | | |
| Eurozone | CPI YoY | 2.8% | 2.8% | 2.8% |
| | Monday, July 20, 2026 | | | |
| Canada | CPI YoY | 2.8% | 2.9% | 3.2% |
| | Wednesday, July 22, 2026 | | | |
| UK | CPI YoY | 2.6% | 2.7% | 2.8% |
| | Friday, July 24, 2026 | | | |
| UK | S&P Global UK Manufacturing PMI | -- | 52.0 | 52.5 |
| USA | S&P Global US Manufacturing PMI | -- | 54.4 | 53.9 |
| | Wednesday, July 29, 2026 | | | |
| USA | FOMC Rate Decision (Upper Bound) | 3.8% | 3.8% | 3.8% |
| USA | FOMC Rate Decision (Lower Bound) | 3.5% | 3.5% | 3.5% |
| | Thursday, July 30, 2026 | | | |
| Eurozone | Unemployment Rate | 6.3% | 6.2% | 6.2% |
| UK | Bank of England Bank Rate | 3.8% | 3.8% | 3.8% |
| USA | PCE Price Index YoY | 3.7% | 3.7% | 4.1% |
| | Friday, July 31, 2026 | | | |
| Eurozone | CPI YoY | 2.9% | 2.9% | 2.8% |
| Canada | GDP YoY | 1.7% | 1.4% | 1.1% |
| | Monday, August 3, 2026 | | | |
| UK | S&P Global UK Manufacturing PMI | 51.9 | 52.8 | 52.8 |
| USA | S&P Global US Manufacturing PMI | 53.9 | 53.8 | 53.8 |
| USA | ISM Manufacturing | 55.6 | 53.9 | 53.3 |
| | Tuesday, August 4, 2026 | | | |
| Canada | S&P Global Canada Manufacturing PMI | 53.5 | -- | 53.0 |
| | Wednesday, August 5, 2026 | | | |
| UK | S&P Global UK Composite PMI | 52.2 | 52.1 | 52.1 |
| Eurozone | PPI MoM | -0.3% | -0.3% | 0.2% |
| Eurozone | PPI YoY | 4.6% | 4.6% | 5.9% |
| USA | S&P Global US Composite PMI | 54.5 | -- | 53.6 |
| | Thursday, August 6, 2026 | | | |
| Canada | S&P Global Canada Composite PMI | 49.7 | -- | 47.9 |
| | Friday, August 7, 2026 | | | |
| Canada | Unemployment Rate | 6.4% | 6.5% | 6.5% |
| USA | Unemployment Rate | 4.1% | 4.2% | 4.2% |
| USA | NY Fed 1-Yr Inflation Expectations | 3.6% | 3.7% | 3.7% |

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