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Upcoming Key Economic Events	
Country/Region	Event
Monday, January 19, 2026	
Eurozone	Consumer Price Index
Canada	Consumer Price Index
Wednesday, January 21, 2026	
UK	Consumer Price Index
Thursday, January 22, 2026	
USA	PCE Price Index
Friday, January 23, 2026	
Eurozone	HCOB Eurozone Manufacturing PMI
UK	S&P Global UK Manufacturing PMI
USA	S&P Global US Manufacturing PMI
Wednesday, January 28, 2026	
Canada	Bank of Canada Rate Decision
USA	FOMC Rate Decision (Upper Bound)
Friday, January 30, 2026	
Eurozone	Unemployment Rate
Canada	Gross Domestic Product
Wednesday, February 4, 2026	
Eurozone	Producer Price Index
Eurozone	Consumer Price Index
Thursday, February 5, 2026	
UK	Bank of England Bank Rate
Friday, February 6, 2026	
Canada	Unemployment Rate
USA	Unemployment Rate

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Scotia Funds™

Performance at a glance

As of December 31, 2025

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	15.60	0.31	0.87	1.80	3.71	3.71	4.32	2.79	1.79	1.71
Scotia US Dollar Bond Fund	12/21/1992	2.80	-0.40	0.66	2.71	6.09	6.09	3.89	-1.55	0.71	3.17
Scotia Global Equity Fund	06/23/1994	4.56	2.74	3.93	9.41	22.32	22.32	12.29	6.11	6.72	4.93
Scotia US Equity Fund	10/27/1999	27.41	0.04	0.21	9.45	14.53	14.53	11.72	7.26	8.12	3.96
Scotia Canadian Equity Fund	06/23/1994	4.84	2.35	3.53	9.68	19.07	19.07	13.74	10.46	7.52	6.16
Scotia Caribbean Income Fund	03/31/2009	3.50	0.36	0.66	3.34	7.37	7.37	5.68	1.66	2.40	3.78
Scotia Premium Funds (JMD)											
Scotia Premium Money Market Fund	07/06/2011	100.00	0.35	1.06	2.23	4.97	4.97	6.52	5.08	3.75	4.37
Scotia Premium Fixed Income Fund	02/11/1994	58.02	-0.08	0.63	2.01	6.09	6.09	6.69	4.28	5.31	8.74
Scotia Premium Growth Fund	06/23/1987	137.24	0.27	0.03	0.99	0.32	0.32	3.96	2.56	8.57	11.77
Scotia Premium USD Indexed Fund	01/15/2016	135.22	-0.41	0.33	2.68	11.02	11.02	7.19	4.33	n/a	5.56
Scotia Premium Short-Term Income Fund (JMD)	11/15/2021	108.82	0.32	1.07	2.27	4.79	4.79	7.11	n/a	n/a	6.54
Scotia Premium Short-Term Income Fund (USD)	11/15/2021	10.39	0.17	0.53	1.79	3.77	3.77	3.66	n/a	n/a	3.32

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

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Fed independence under pressure (2 mins)

An evolving rift between the U.S. President and the Federal Reserve intensified in recent weeks with the commencement of a criminal investigation into Federal Reserve Chair Jerome Powell by the Department of Justice (DOJ). Powell has characterised this move as a politically motivated interference in the Federal Reserve's autonomy in setting interest rates. Despite the U.S. President's public efforts to distance himself from the investigation and assurances of procedural independence from the DOJ, markets are likely pricing in the implications of this constitutional standoff.

Federal Reserve independence has been a cornerstone of U.S. monetary policy since the Treasury-Fed Accord of 1951, ensuring decisions such as interest rate setting are free from short-term political interference. Research has shown that insulating monetary policy from political cycles helps anchor inflation expectations and preserve credibility in financial markets. History is replete with evidence of what happens when this principle of independence is not observed. In Turkey, the compromise of central bank independence undermined the monetary framework and contributed to extreme inflationary episodes, while Argentina's reliance on monetary financing of fiscal deficits repeatedly triggered currency crises and investor flight.

In response to the perceived risk of institutional erosion triggered by the DOJ investigation, asset prices were adversely affected for a short period. The U.S. dollar weakened, gold rallied and equity futures dipped as confidence in the U.S. policy framework was shaken. Meanwhile, the 10-year Treasury yield climbed above 4.1%, reflecting a sell-off in bonds amid risk repricing and higher uncertainty about future monetary policy. Higher long-term yields generally raise borrowing costs, weigh on equity valuations and increase discount rates used in asset valuations. Despite these short-term market reactions, many economists and global central bankers expect the U.S. to remain resilient. Strong institutional structures, supported by legal safeguards, together with the dollar's position as the dominant reserve currency should protect the U.S. from destabilizing outcomes experienced by other nations in similar circumstances. Nonetheless, persistent pressure on the Fed could elevate inflation expectations, push yields higher and create volatility across equity, credit and currency markets, posing short-term risk to investors.

Given the foundational importance of central bank independence to U.S. domestic macroeconomic stability and global confidence in its financial markets, this matter will remain under heightened scrutiny. Recent market reactions show how quickly credibility concerns can raise risk premiums and spark volatility. For investors, the implication is straightforward: challenges to institutional autonomy can reverberate across rates, equities, credit and currencies, making diversification, prudent duration exposure and disciplined liquidity management increasingly important.

Venezuela: Are lost barrels really coming back? (2 mins)

For much of the late twentieth century, Venezuela was a major contributor to global oil supply. At its peak, the country produced more than three million barrels per day, supported by the world's largest proven oil reserves and its influential role as one of OPEC's the five founding members. Although Venezuelan crude is heavy and sulfur-rich, it was well integrated into global refining networks and consistently supplied medium to heavy grades to the Atlantic Basin. Despite this advantage, Venezuela's oil industry now operates well below its historical capacity. Following the nationalization of the sector in 1976, state-owned oil company Petróleos de Venezuela (PDVSA) was established and emerged as the cornerstone of the

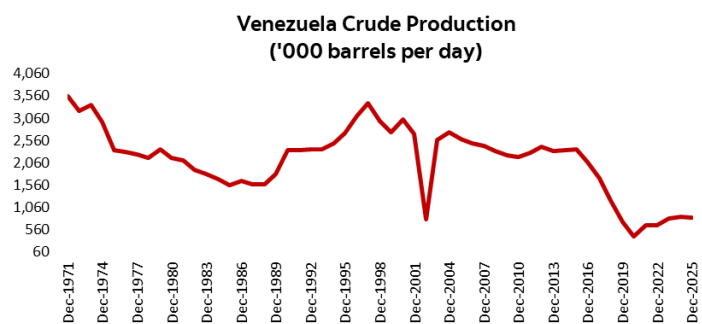
economy, accounting for roughly one-quarter of GDP and more than 80% of export earnings.

Over time, however, operational performance deteriorated amid years of underinvestment, politicization of PDVSA, capital flight and tightening US sanctions. Consequently, Venezuelan oil production began to decline in the late 1990s, fundamentally altering the country's position in the global oil market. By the mid-2020s, output fell below one million barrels per day, infrastructure significantly degraded and much of the skilled labour force exited the industry. The remaining barrels were routed through increasingly opaque channels and sold at steep discounts, largely to buyers in Asia, reducing Venezuela's relevance to global pricing while tightening the supply of heavy crude oil.

From a global market perspective, the loss of Venezuelan supply did not trigger a volume shock, as OPEC's spare capacity and U.S. shale production absorbed much of the deficit. However, it materially altered the quality mix of global supply as heavy sour barrels became scarcer relative to light sweet production.

The recent U.S. intervention represents a potential turning point as the market composition and volume of future oil supply has likely shifted. The prospect of U.S.-aligned oversight of Venezuelan reserves and export channels could introduce a new source of supply in the medium-term. However, given the state of the infrastructure and the nature of the product, extensive upgrading and more complex refining capacity will be required. Thus, any material recovery in output would likely depend on sustained capital investment, clearer regulations and years of rehabilitation work.

For global oil markets, this points less to a near term supply surge and more to a gradual softening of the structural tightness in heavy crude. If Venezuelan barrels re-enter global trade flows under U.S. oversight, they could help limit upside price pressures over the medium term and reduce the strategic weight of other heavy crude suppliers.



Indices	Value	MoM	YTD
S&P 500 Index	6,940.01	2.1%	1.4%
SPTSX Index	33,040.55	5.7%	4.2%
MSCI World Index	4,515.28	1.9%	2.8%

Source: Bloomberg

Jamaica's Foreign Exchange Market: Year in Review (3 mins)

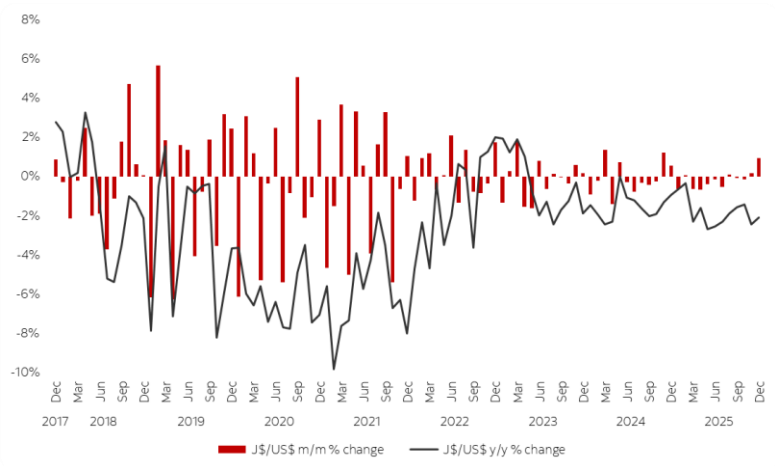
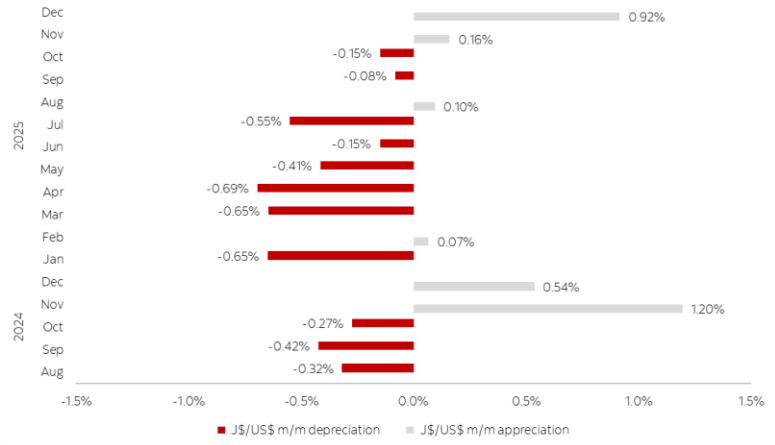
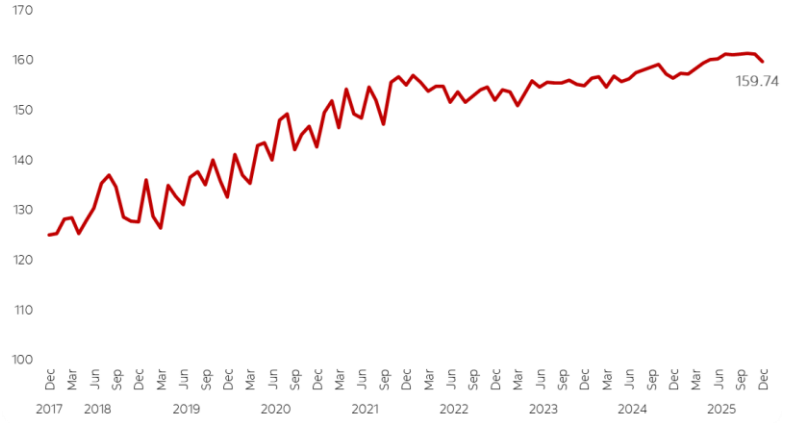
As at December 31, 2025, the Jamaican dollar closed at J\$159.74 = US\$1.00, reflecting an annual depreciation of 2.1%, more than double the 0.9% recorded in 2024. The sharper depreciation underscored the significant pressures faced by the foreign exchange market throughout the year, driven by the heightened appetite for U.S. dollars among end users amid increased import demand. This was compounded by persistent global uncertainty stemming from geopolitical tensions and the general lack of clarity around tariffs, though the impact was partially offset by widening interest rates differentials between Jamaica and major global markets. These developments tested the resilience of Jamaica's FX market and prompted strategic policy responses by the Bank of Jamaica.

While the BoJ's policy actions support the local currency for much of the year, the passage of Hurricane Melissa in October 2025 introduced new complexities to the FX landscape. The storm inflicted severe damage to tourism infrastructure, leading to hotel closures and updated travel advisories which cautioned against travel to the island. Given tourism's role as a key source of U.S. dollar inflows, expectations of reduced arrivals weighed heavily on market sentiment. At the same time, relief and recovery efforts heightened imports of food and building materials, further amplifying FX demand. Together, these factors contributed to a more cautious near-term outlook for the foreign exchange market.

In response to the materially weaker economic outlook, the BoJ reiterated its commitment to maintaining stability in the foreign exchange markets. Accordingly, the Bank implemented special measures to reassure participants and maintain orderly adjustments in the exchange rate. These included direct FX supply to key energy sector entities and the reintroduction of scheduled advanced notices for intervention sales. As a signal of its readiness to maintain liquidity and confidence during this period of heightened uncertainty, the Bank maintained an active presence in the market increasing the frequency of interventions. As a result, Q4-2025 accounted for 29.3% of the US\$1.16B provided during the year, exceeding typical seasonal levels. These measures highlighted the Bank's proactive approach to safeguarding orderly conditions amid shifting liquidity and external shocks to stabilize the market ahead of the holiday season.

As we move further into 2026, the outlook for the FX market remains uncertain. While demand pressures are likely to persist, stronger remittance inflows and Jamaica's robust international reserves (US\$6.28B at end-2025), should help to cushion against sharp depreciation. However, the balance of risks tilt to the downside, particularly if geopolitical tensions worsen, global growth slows, or if recovery in tourism takes longer than anticipated. Confidence in the FX market will therefore hinge on policy makers' ability to mitigate the impact of external shocks, the effective management of domestic liquidity and the sustained confidence of investors in Jamaica's economic fundamentals.

J\$US\$ FX Rate



JSE year in review (3 mins)

In 2025, the Jamaica Stock Exchange (JSE) delivered another year of weak performance as demand for equity securities remained low in a context of high interest rates, which weighed on valuations and reinforced investor preference for fixed-income instruments. Additional pressures emanated from the uncertainty around U.S. trade policies and the potential impact on the local economy. These challenges were compounded in the final quarter by the passage of Hurricane Melissa, which caused severe infrastructure and sectoral damage. Further softness was linked to the need for funding relief and recovery efforts following the hurricane, which also redirected capital toward companies expected to benefit from rebuilding activity.

The Main Market declined by 5.3%, reflecting broad weakness in trading activity. Trading volumes plunged 58.9% year-over-year, while the value of trade dropped 76.4%, underscoring continued liquidity pressures. Among individual stocks, Jamaica Broilers Group recorded the steepest decline at -52.1%, followed by Tropical Battery (-36.6%) and MPC Caribbean Clean Energy (-32.9%). Despite the downturn, there were pockets of opportunity as select names delivered strong gains. Eppley Caribbean Property Fund led with a 60.69% return, while Carreras (+38.77%) and Sygnus Real Estate Finance (+21.20%) also outperformed. In addition, there were some stocks that despite the low market performance, provided dividend yields in line with those observed in years where the market performed well. Guardian Holdings offered the highest yield at 8.4%, followed closely by Carreras (8.2%), Eppley Caribbean Property Fund (7.8%), Sygnus Credit Investments (6.0%) and TransJamaican Highway (5.5%).

The Junior Market also underperformed, declining by 8.93%. Interestingly, trading volumes rose 15.22%, although the value of trades plunged 34.70%, underscoring increased activity in lower-priced stocks. ISP Finance experienced the steepest decline at -51.19%, followed by R.A. Williams Distributors (-50.67%) and One Great Studio (-48.53%). Meanwhile, Kintyre Holdings (+85.37%), Cargo Handlers (+72.55%) and Jetcon (+41.51%) were among the top performers.

The generally weak sentiment towards the market during the year was also underscored by modest initial public offering (IPO) activity and the lukewarm performance of the issues. The Atlantic Hardware & Plumbing (AHPC) offer in February 2025 received subscriptions sufficient to meet its targeted capital raise but was marginally oversubscribed compared to other similar issuances in normal years. The Dequity IPO, on the other hand, failed to meet the minimum threshold to facilitate the listing of the company's shares. Consequently, with the successful completion of the listing by introduction of West Indies Petroleum Terminal Limited (WIPT), only two new stocks were added to the market during the year. Meanwhile, Key Insurance Limited and tTech Limited were delisted as they were the target of M&A activity.

The equity market is expected to face significant challenges as the shock from Hurricane Melissa contracts economic activity, elevates inflation and increases operating costs, ultimately weighing on revenues and earnings. However, sector-level impacts are expected to vary:

Manufacturing: Damage to crops and livestock will disrupt supply chains for food manufacturers that rely heavily on local inputs and whose customer base is concentrated in the tourism industry. On the other hand, firms that produced items which are considered necessities may see some demand in the short-term tied to relief and recovery efforts. Additionally, with diversified operations, regional sourcing or broader product portfolios may fare better as this could offset some of the slowdown in other areas of the business.

Tourism: Widespread resort damage is expected to reduce arrivals and occupancy rates, creating a difficult operating environment for hospitality-linked businesses. A rebound is expected to commence by mid-year, increasing gradually into the winter tourist season.

Retail & Distribution: Tourism-dependent retailers are likely to face weaker demand, while distributors involved in supplying relief, essential goods, and construction materials may experience a temporary lift linked to recovery efforts.

Construction: Rebuilding activity is expected to drive strong demand for cement, aggregates, hardware, and electrical supplies. This will amplify demand previously anticipated from ongoing local development projects.

Financial Services: The outlook is mixed. Financial institutions may benefit from increased loan demand tied to reconstruction, but profitability could be constrained by moratoria, fee waivers, and elevated expected credit loss provisions.

Against this backdrop, the equity market is likely to remain under pressure in 2026 as the economy navigates storm-related disruptions and a potentially prolonged recovery period. Investors should brace for volatility and consider sectors positioned to benefit from reconstruction activity.

Market Quote for Year Ending December 31, 2025						
Index	Opening Value	Closing Value	Total Volume	Value (J\$)	MTD Change	YTD Change
Main Market	335,794.94	317,986.88	6,268,446,767	60,576,184,404.28	-0.21%	-5.30%
Junior Market	3,735.05	3,401.41	3,253,962,713	6,359,958,760.09	0.45%	-8.93%

Source: JSE, SJLL

Sector	Top Advancers*	Top Decliners*
Finance	LASF	ISP
Manufacturing	CFF	JFP
Insurance	GENAC	CABROKERS
Other	KNTYR	1GS
Retail	RPL	TROPICAL

*Based on percentage price increase at year end December 2025
Does not include AHPC
Source: JSE, SJLL (Junior Market)

Sector	Top Advancers*	Top Decliners*
Finance	SIL	VMIL
Conglomerate	ASBH	MASSY
Other	KW	MPCCEL
Manufacturing	CCC	JBG
Real Estate	CPFV	SRFJMD

**Based on percentage price increase at year end December 2025
Does not include WIPT
Source: JSE, SJLL (Main Market)

Recently Released Key Economic Events				
Country/Region	Event	Actual	Forecast	Previous
Tuesday, December 22, 2025				
UK	GDP QoQ	0.1%	0.1%	0.1%
UK	GDP YoY	1.3%	1.3%	1.3%
Wednesday, December 23, 2025				
Canada	GDP MoM	-0.3%	-0.3%	0.2%
Canada	GDP YoY	0.4%	0.3%	1.0%
Wednesday, December 30, 2025				
USA	FOMC Meeting Minutes	--	--	--
Tuesday, January 5, 2026				
USA	ISM Manufacturing	47.90	48.40	48.20
Wednesday, January 6, 2026				
Eurozone	HCOB Eurozone Services PMI	52.40	52.60	52.60
Eurozone	HCOB Eurozone Composite PMI	51.50	51.90	51.90
UK	S&P Global UK Services PMI	51.40	52.10	52.10
UK	S&P Global UK Composite PMI	51.40	52.10	52.10
Canada	S&P Global Canada Services PMI	46.50	--	44.30
Canada	S&P Global Canada Composite PMI	46.70	--	44.90
USA	S&P Global US Services PMI	52.50	52.90	52.90
USA	S&P Global US Composite PMI	52.70	--	53.00
Thursday, January 7, 2026				
Eurozone	CPI MoM	0.2%	0.2%	-0.3%
USA	Factory Orders	-1.3%	-1.2%	0.2%
Friday, January 8, 2026				
Eurozone	PPI MoM	0.5%	0.4%	0.1%
Eurozone	PPI YoY	-1.7%	-1.7%	-0.5%
Eurozone	Unemployment Rate	6.3%	6.4%	6.4%
USA	NY Fed 1-Yr Inflation Expectations	3.4%	--	3.2%
Wednesday, January 13, 2026				
USA	CPI MoM	0.3%	0.3%	--
USA	CPI YoY	2.7%	2.7%	2.7%
Thursday, January 14, 2026				
USA	PPI Final Demand MoM	0.1%	0.1%	0.3%
USA	PPI Final Demand YoY	2.8%	2.6%	2.7%
USA	PPI Final Demand MoM	0.2%	0.2%	0.1%
USA	PPI Final Demand YoY	3.0%	2.7%	2.8%
Friday, January 15, 2026				
UK	Manufacturing Production MoM	2.1%	0.4%	0.5%
UK	Manufacturing Production YoY	2.1%	-0.3%	-0.8%
Eurozone	ECB Publishes Economic Bulletin			

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