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Upcoming Key Economic Events	
Country/Region	**Event**
Monday, July 6, 2026	
Canada	S&P Global Canada Composite PMI
Wednesday, July 8, 2026	
USA	FOMC Meeting Minutes
Friday, July 10, 2026	
Canada	Unemployment Rate
Tuesday, July 14, 2026	
USA	Consumer Price Index
Wednesday, July 15, 2026	
Canada	Bank of Canada Rate Decision
Thursday, July 16, 2026	
UK	Manufacturing Production YoY
Friday, July 17, 2026	
Eurozone	Consumer Price Index
USA	Manufacturing Production MoM
Monday, July 20, 2026	
Canada	Consumer Price Index
Wednesday, July 22, 2026	
UK	Consumer Price Index
Friday, July 24, 2026	
UK	S&P Global UK Composite PMI
USA	S&P Global US Composite PMI

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Scotia Funds™

Performance at a glance

As of June 30, 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	15.85	0.26	0.85	1.62	1.62	3.45	4.17	3.11	1.95	1.74
Scotia US Dollar Bond Fund	12/21/1992	2.80	0.10	0.41	-0.01	-0.01	2.70	3.50	-1.24	0.21	3.12
Scotia Global Equity Fund	06/23/1994	4.81	0.02	12.32	5.56	5.56	15.50	11.74	5.52	7.48	5.03
Scotia US Equity Fund	10/27/1999	28.22	1.61	7.33	2.95	2.95	12.67	10.26	5.79	8.45	3.99
Scotia Canadian Equity Fund	06/23/1994	5.29	-0.04	8.31	9.45	9.45	20.04	14.02	9.18	7.61	6.36
Scotia Caribbean Income Fund	03/31/2009	3.50	0.34	1.76	1.22	1.22	4.60	5.09	1.94	2.23	3.75
Scotia Premium Funds (JMD)											
Scotia Premium Money Market Fund	07/06/2011	100.00	0.34	1.03	2.11	2.11	4.38	6.02	5.44	3.69	4.37
Scotia Premium Fixed Income Fund	02/11/1994	58.64	0.33	0.91	1.07	1.07	3.10	5.80	4.25	5.03	8.60
Scotia Premium Growth Fund	06/23/1987	147.07	2.31	4.01	7.16	7.16	8.22	6.40	1.64	8.38	11.84
Scotia Premium USD Indexed Fund	01/15/2016	134.27	0.24	1.19	0.47	0.47	3.16	5.94	3.83	5.40	5.34
Scotia Premium Short-Term Income Fund (JMD)	11/15/2021	109.10	0.34	1.09	1.91	1.91	4.22	6.49	n/a	n/a	6.25
Scotia Premium Short-Term Income Fund (USD)	11/15/2021	10.42	0.22	0.88	1.39	1.39	3.20	3.54	n/a	n/a	3.27

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

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Oil slips, inflation sticks *(2 mins)*

The June 17 Memorandum of Understanding (MoU) between the U.S. and Iran marked the clearest break in the disruption that had affected the Strait of Hormuz since late February. The agreement allows commercial traffic to move more freely through the Strait, reducing concerns about a prolonged disruption to global energy markets. Oil prices quickly adjusted to the prospect of de-escalation, with Brent crude moving from US$94.98 at the start of June to US$71.57 by July 1, 2026.

However, lower oil prices do not automatically translate into lower inflation. While financial markets adjust quickly to easing geopolitical risks, the benefits take longer to reach households and businesses as fuel inventories are rebuilt, supply chains normalize, and retail prices adjust. As a result, inflation pressures may ease more slowly than markets expect.

Energy-market conditions reinforce this caution. The International Energy Agency's (IEA) June report noted that global observed oil inventories fell by 143 million barrels in May, while OECD government inventories declined by 163 million barrels to their lowest level since December 1990. Lower inventories mean the system is more vulnerable to fresh disruptions, making the return to normal supply conditions gradual rather than immediate. A full recovery will likely be slow and long, particularly as mines still need to be cleared from key shipping lanes and supply chains will take time to normalize.

Elevated shipping costs are also expected to complicate the adjustment in global price pressures. Drewry's World Container Index rose by 5% to US$4,166 per 40-foot container on June 25, its highest level since September 2024, as transpacific rates climbed amid frontloaded shipments and tight capacity. Freightos also posited in its June 2026 report that container rates continued to rise even as some fuel costs eased, driven by early peak-season demand, tariff-related frontloading, Red Sea diversions and congestion. As a result, lower crude prices may be partially offset by still-elevated freight and logistics costs as they filter through supply chains.

Therefore, while de-escalation lowers the risk of another inflation spike, it does not guarantee a quick return to price stability. Until inventories are rebuilt, freight costs normalize and lower energy prices pass through to consumers, inflation may remain stickier than markets expect. For investors, this suggests that the path to lower interest rates may be more gradual than currently reflected in market expectations. Central banks are likely to remain cautious, particularly if higher transportation, import, and production costs continue to feed into core inflation or inflation expectations. As a result, portfolios may need to account for a longer period of elevated policy uncertainty, rather than relying on lower oil prices to quickly usher in a more accommodative monetary policy.

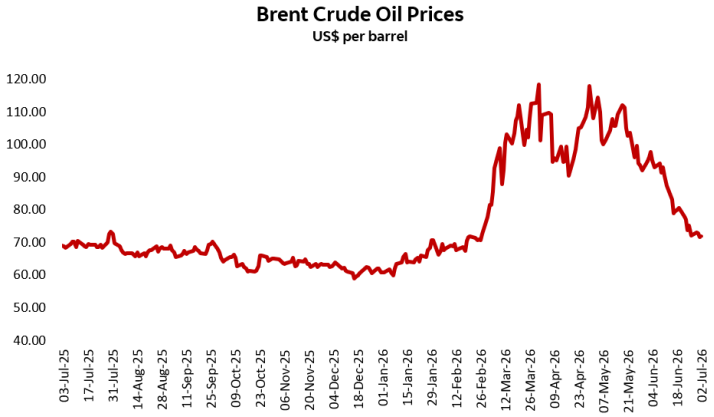
AI spurs global surge in capital markets (*2 mins)*

The global race to develop artificial intelligence has spurred a wave of equity and fixed income issuances as companies raise funding for artificial intelligence initiatives. While this development creates opportunities for investors to benefit from one of the world's dominant investment themes, the rapid increase in issuance could create new challenges that could adversely impact portfolios.

Technology leaders such as Microsoft, Alphabet, and Nvidia have issued billions in bonds and raised equity to fund AI-related investments. Bloomberg data indicate that non-financial corporate bond issuance reached US$880 billion in the first half of 2026, with technology firms accounting for roughly 33% of that amount. Nvidia's recent US$25 billion bond sale and Alphabet's US$10 billion equity issuance underscore the enormous the scale of capital required to support AI development. At the same time, strong investor demand for AI has encouraged more companies, including OpenAI and Anthropic, to access public markets. As the number of AI-focused issuers grows, investors are gaining broader exposure to the theme through both equity and fixed-income investments

While AI-driven equity and bond issuance is creating new investment opportunities, it is also increasing competition for investor capital. The growing supply of securities, particularly corporate bonds, could pressure spreads, dampen demand for new offerings, and contribute to greater market volatility, especially if interest rates remain elevated.

Given AI's significant growth potential, it is likely that funding demands will continue to influence capital markets over the medium term. In order to optimise the attendant benefits and risks, investors should focus on issuers with strong balance sheets and resilient business models while maintaining diversified exposure across sectors, geographies, and asset classes. Careful portfolio construction and disciplined security selection will be essential to balancing the opportunities and risks associated with this rapidly evolving theme.



Source: Bloomberg

Indices	Value	MoM	YTD
S&P 500 Index	7,483	-0.9%	9.3%
SPTSX Index	35,275	1.4%	11.2%
MSCI World Index	4,842	-0.1%	9.3%

Source: Bloomberg

Recovery green shoots appear, but inflation keeps BOJ cautious *(3 mins)*
While economic activity remains below pre-Hurricane Melissa levels, Jamaica appears to be transitioning to a period of reconstruction led recovery. For investors, this presents emerging opportunities across several sectors but the need to monitor inflation and monetary policy developments will be a key imperative.

Data from STATIN and the Bank of Jamaica (BOJ) indicate the economy remains challenged by the lingering effects of the hurricane, elevated international commodity prices, and uncertain global conditions. Real GDP contracted by 4.1% year-over-year during the January to March 2026 quarter, marking a second consecutive quarterly decline. The downturn was driven by weakness in goods-producing industries, particularly agriculture and mining reflecting hurricane damage and lower alumina and bauxite output. Tourism-related activity also remained subdued, with accommodation and food services declining by 16.6% amid hotel closures and fewer visitor arrivals.

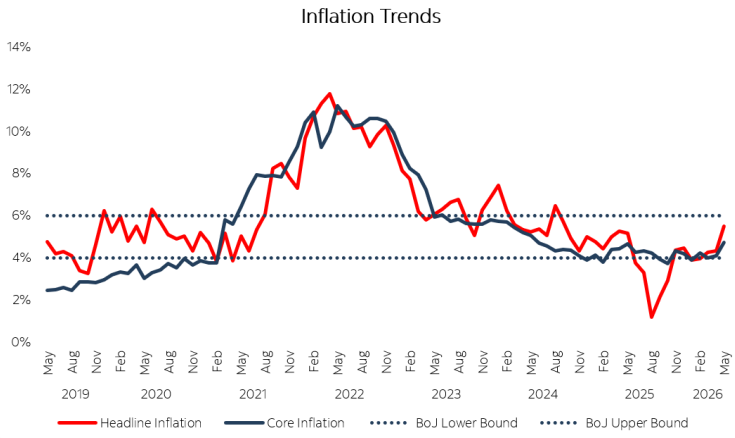
Despite these contractions, several indicators suggest that the economy is entering the recovery phase. Manufacturing expanded by 0.6%, supported by stronger cement production and increased to reconstruction-related activity while financial and insurance activities rose by 2.9%. Seasonally adjusted GDP increased by 3.3% relative to the December 2025 quarter, suggesting that economic recovery is gradually gaining traction.

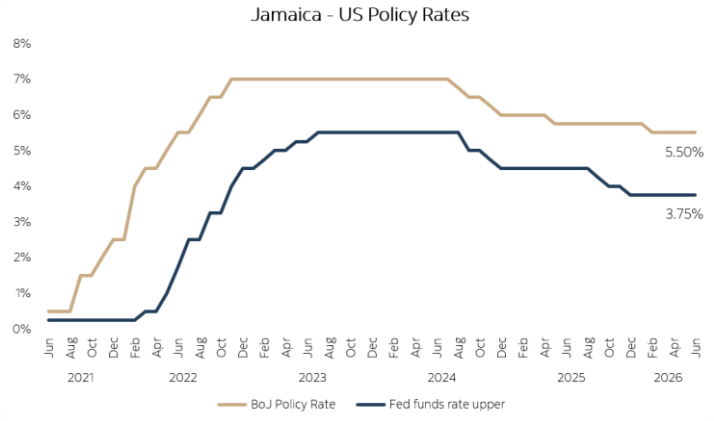
A growing concern, however, is inflation. Jamaica's annual inflation rate accelerated to 5.5% in May 2026 marking a fourth consecutive monthly increase and moving closer to the upper bound of the BOJ's 4.0% to 6.0% target range. Rising food prices, higher utility charges and increased transportation costs have been the principal drivers. Much of the pressure reflects the lingering effects of weather-related disruptions on agricultural production as well as higher fuel costs filtering through the economy.

Against this backdrop, the BOJ maintained the policy rate at 5.50% in June. While inflation remains within the target range, the central bank expects price pressures to remain elevated and temporarily breach the upper limit of its target over the near term. The Bank continues to monitor geopolitical risks, especially developments in the Middle East, which could trigger renewed increases in global energy and commodity prices. Nevertheless, the central bank expects that the decline in oil prices during June 2026, stable foreign exchange conditions, healthy international reserves and a well-capitalized and liquid banking system. The BOJ also expects economic growth to strengthen in the current fiscal year as reconstruction spending, tourism restoration and the normalization of mining activities drive domestic demand.

While there are lingering effects of the hurricane and broader external risks, the economy appears to be entering a new phase of recovery, which could support improved investment conditions. As reconstruction activity gains momentum, companies exposed to construction, manufacturing, and domestic economic activity could benefit from increased spending and stronger demand. Financial institutions may also continue to benefit from healthy credit growth and a higher interest rate environment. Although tourism remains below pre-hurricane levels, the eventual restoration of accommodation capacity and visitor arrivals could provide a meaningful boost to economic growth, corporate earnings, employment, and foreign exchange inflows. However, investors should remain mindful that persistent inflation could delay future interest rate reductions and introduce additional uncertainty into the recovery outlook.







Explainer: sale & leaseback transactions *(3 min)*

On June 18, 2026, Tropical Battery Limited announced the completion of a sale and leaseback transaction on its Ferry facility. The transaction yielded gross proceeds of J$950 million, earmarked for debt repayment and working capital support, while allowing the company to retain operational control through a lease arrangement. For shareholders, the key question is whether the transaction will enhance long-term value. Understanding the implications requires an examination of how sale and leaseback transactions work, their purpose and the associated risks and benefits.

A sale and leaseback transaction involves a company's sale of an owned asset, typically real estate, and the immediate lease of the asset for continued use. The transaction is essentially a financial restructuring that neither disrupts the company's operations nor alters its ownership structure. Its primary objective is to unlock capital from assets and enhance balance sheet flexibility while enabling the company to focus on its core operations. The transaction provides an immediate cash inflow that can be used to reduce debt, strengthen working capital, or be redeployed into higher-return opportunities. When effectively executed, this enhances capital efficiency, supports revenue growth, and improves overall financial resilience. For shareholders, these improvements can translate into stronger earnings quality and higher valuations, over time.

While there are clear benefits to sale and leaseback transactions, there are several risks. The transaction introduces a fixed lease obligation that creates a recurring cost that can increase expenses and compress margins. The sale of the asset also removes a potential source of collateral that could otherwise be deployed to strategic opportunities. In addition, the arrangement places greater reliance on management's capital allocation discipline. If management is not sufficiently prudent in deploying the proceeds, the expected benefits of the transaction may not be realized. In particular, if returns on reinvested capital fall below the cost of the lease, the transaction can erode value rather than enhance it. As such, the ultimate impact on shareholders will depend not only on the structure of the deal, but on the quality of execution and the effectiveness of capital deployment.

Given the nuanced implications of sale and leaseback transactions for investors, it is critical that the arrangements are assessed to determine whether they are truly value accretive over time. The key evaluation should focus on how the proceeds are used, the structure and cost of the lease, and the resulting impact on cash flow. In particular, investors should assess whether the return on reinvested capital exceeds the cost of the lease obligations. If capital is deployed into higher-return opportunities or used to strengthen the balance sheet, the transaction can enhance earnings quality and long-term value. However, if returns fall short of lease costs or cash flows are strained, the transaction may dilute value.

Ultimately, the success of a sale and leaseback is determined not by the transaction itself, but by management's capital allocation discipline and the company's ability to convert liquidity into sustainable returns.

Market activity *(1 min)*

In June 2026, the JSE All Jamaican Composite Index advanced by 16,062.10 points, or 3.98% month-over-month, to close at 419,444.41. The JSE Main Market Index increased by 12,514.68 points, or 3.67%, ending the month at 353,858.83. Overall activity on the Main Market resulted from trading in 66 stocks, of which 31 advanced, 34 declined and 1 traded firm. Market volume amounted to 357.5M units valued at approximately J$4.04B. Trading activity was again concentrated in a few heavily traded names, with TransJamaican Highway Limited leading volume at 110.7M units, or 30.97% of market volume, followed by Wigton Energy Limited with 44.3M units, or 12.38%, and NCB Financial Group Limited with 26.4M units, or 7.39%.

Market Quote for Month Ending June 30, 2026

Index	Opening Value	Closing Value	Total Volume	Value (J$)	MTD Change	YTD Change
Main Market	341,344.15	353,858.83	357,541,445	4,040,012,066.14	3.67%	11.24%
Junior Market	3,117.58	3,088.64	1,500,695,331	1,606,272,478.59	-0.93%	-8.85%

Source: JSE, SIJL

On the Junior Market, activity was driven by trading in 48 securities, of which 17 advanced and 31 declined. Trading was highly concentrated, with Kintyre Holdings (JA) Limited leading market activity at 608.5 million units, representing 40.6% of total volume. Dolla Financial Services Limited followed with 542.2 million units (36.1%), while One on One Educational Services Limited accounted for 154.2 million units (10.3%). Together, these three securities represented nearly 87% of total shares traded during the month, highlighting the strong influence of company-specific activity on overall market volumes.

Sector	Top Advancers*	Top Decliners*
Finance	NCBFG	JSE
Conglomerate	GK	ASBH
Other	JPS7	MPCCEL
Manufacturing	BRG	SALF
Real Estate	SML	SRFJMD

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

Sector	Top Advancers*	Top Decliners*
Finance	DOLLA	ISP
Manufacturing	SPURTREE	KREMI
Insurance	ROC	CARBROKERS
Other	LAB	MEEG
Retail	PTL	FOSRICH

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

Local Stock Market News *(1 min)*

- Scotia Group Jamaica Limited (SGJ) announced a proposed take-private transaction by Scotiabank Caribbean Holdings Limited. Under the agreement, minority shareholders would receive J$61.50 per share in cash, representing a roughly 13% premium to the 30-day volume-weighted average price as at June 11, 2026, subject to shareholder, court, and regulatory approvals.
- Kingston Wharves Limited (KW), Wigton Energy Limited, Access Financial Services Limited (AFS), Eppley Limited, Eppley Caribbean Property Fund Limited SCC and Wisynco Group Limited were among the companies that announced dividend payments during June, reinforcing the continued importance of dividend income in a subdued equity market.
- VM Financial Group listed four classes of preference shares on the JSE Private Market with an aggregate value of J$9.5B.
- Future Energy Source Company Limited (FESCO) issued a four-year corporate bond for J$600.0M due June 2030 and redeemed its unsecured bond due March 2027, after which the JSE was asked to delist the redeemed bond from the Private Market.
- The JSE disclosed a cybersecurity incident during June, adding to recent corporate cyber-risk disclosures and underscoring the growing

importance of operational resilience and disclosure quality for listed companies.

- The JSE temporarily suspended trading in Kintyre Holdings (JA) Limited and Atlantic Hardware & Plumbing Company Limited on July 1, 2026, due to outstanding regulatory filings. Kintyre's delay related to additional audit work tied to acquisitions, joint ventures and investment transactions, while Atlantic Hardware cited a change of external auditors. Trading is expected to resume once the overdue financial reports are submitted and accepted.

Recently Released Key Economic Events				
Country/Region	**Event**	**Actual**	**Forecast**	**Previous**
	Monday, June 8, 2026			
USA	NY Fed 1-Yr Inflation Expectations	3.5%	3.7%	3.6%
	Wednesday, June 10, 2026			
USA	CPI YoY	4.2%	4.2%	3.8%
Canada	Bank of Canada Rate Decision	2.3%	2.3%	2.3%
	Friday, June 12, 2026			
UK	Manufacturing Production YoY	1.0%	0.5%	1.2%
	Monday, June 15, 2026			
USA	Manufacturing Production MoM	0.0%	0.3%	0.6%
	Wednesday, June 17, 2026			
UK	CPI YoY	2.8%	3.0%	2.8%
Eurozone	CPI YoY	3.2%	3.2%	3.2%
USA	FOMC Rate Decision (Upper Bound)	3.8%	3.8%	3.8%
	Thursday, June 18, 2026			
UK	Bank of England Bank Rate	3.8%	3.8%	3.8%
	Monday, June 22, 2026			
Canada	CPI YoY	3.2%	3.0%	2.8%
	Tuesday, June 23, 2026			
UK	S&P Global UK Manufacturing PMI	--	53.5	53.9
UK	S&P Global UK Services PMI	48.7	50.1	49.3
UK	S&P Global UK Composite PMI	49.4	50.5	49.7
USA	S&P Global US Manufacturing PMI	--	54.6	55.1
USA	S&P Global US Services PMI	51.3	51.1	50.7
USA	S&P Global US Composite PMI	52.2	52.1	51.5
	Thursday, June 25, 2026			
USA	PCE Price Index YoY	4.1%	4.1%	3.8%
	Tuesday, June 30, 2026			
UK	GDP YoY	0.9%	1.1%	1.1%
Canada	GDP YoY	1.1%	0.9%	0.4%
	Wednesday, July 1, 2026			
UK	S&P Global UK Manufacturing PMI	52.5	53.1	53.1
Eurozone	CPI YoY	2.8%	3.0%	3.2%
USA	S&P Global US Manufacturing PMI	53.9	55.7	55.7
USA	ISM Manufacturing	53.3	53.9	54.0
	Thursday, July 2, 2026			
Eurozone	Unemployment Rate	6.2%	6.3%	6.3%
USA	Unemployment Rate	4.2%	4.3%	4.3%
Canada	S&P Global Canada Manufacturing PMI	53.0	--	52.9
USA	Factory Orders	-1.3%	-2.0%	4.8%
	Friday, July 3, 2026			
UK	S&P Global UK Services PMI	48.8	48.8	48.7
UK	S&P Global UK Composite PMI	49.3	49.4	49.4

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