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Upcoming Key Economic Events	
Country/Region	**Event**
Thursday, September 10, 2026	
USA	PPI Final Demand YoY
Friday, September 11, 2026	
USA	Consumer Price Index
Monday, September 14, 2026	
Canada	Consumer Price Index
Tuesday, September 15, 2026	
UK	ILO Unemployment Rate 3Mths
Wednesday, September 16, 2026	
UK	Consumer Price Index
USA	FOMC Rate Decision (Upper Bound)
Thursday, September 17, 2026	
Eurozone	Consumer Price Index
UK	Bank of England Bank Rate
Wednesday, September 23, 2026	
UK	S&P Global UK Manufacturing PMI
UK	S&P Global UK Services PMI
UK	S&P Global UK Composite PMI
USA	S&P Global US Manufacturing PMI
USA	S&P Global US Services PMI
USA	S&P Global US Composite PMI

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Scotia Funds™

Performance at a glance

As of August 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	15.94	0.27	0.80	1.66	2.16	3.37	4.09	3.22	2.00	1.75
Scotia US Dollar Bond Fund	12/21/1992	2.77	0.34	-1.05	-2.85	-1.16	0.64	3.20	-1.62	0.11	3.07
Scotia Global Equity Fund	06/23/1994	5.09	1.99	5.79	7.95	11.64	19.65	13.65	6.12	7.18	5.18
Scotia US Equity Fund	10/27/1999	28.87	2.05	3.95	3.40	5.31	9.48	10.58	5.46	8.14	4.06
Scotia Canadian Equity Fund	06/23/1994	5.48	1.62	3.45	8.28	13.27	19.84	15.58	9.52	7.57	6.44
Scotia Caribbean Income Fund	03/31/2009	3.49	0.46	0.10	-0.02	0.97	2.59	4.86	1.80	1.98	3.69
Scotia Premium Funds (JMD)											
Scotia Premium Money Market Fund	07/06/2011	100.00	0.32	1.01	2.08	2.78	4.25	5.83	5.53	3.68	4.36
Scotia Premium Fixed Income Fund	02/11/1994	59.07	0.46	1.07	1.67	1.81	2.77	5.50	4.16	4.96	8.57
Scotia Premium Growth Fund	06/23/1987	157.32	1.27	9.45	9.57	14.64	14.11	9.32	3.00	9.09	12.07
Scotia Premium USD Indexed Fund	01/15/2016	134.61	0.33	0.50	1.11	0.72	1.58	5.81	3.22	4.88	5.27
Scotia Premium Short-Term Income Fund (JMD)	11/15/2021	109.89	0.34	1.06	2.11	2.64	4.12	6.30	n/a	n/a	6.18
Scotia Premium Short-Term Income Fund (USD)	11/15/2021	10.45	0.26	0.51	1.03	1.68	2.57	3.41	n/a	n/a	3.21

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

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Fed's Jackson Hole message reshapes the market outlook *(2 mins)*

On August 28, Federal Reserve Chair Kevin Warsh used his first Jackson Hole address to deliver a clear message: the fight against inflation is not over, and policymakers are prepared to act if price pressures remain too strong. The speech challenged hopes for easier policy and reminded investors that interest rates may stay elevated for longer, shaping prospects for bonds, equities, currencies and globally diversified portfolios.

Markets responded quickly on the day of the speech. The two-year Treasury yield rose to 4.35% (from 4.24%), while the ten-year yield reached 4.72% (from 4.67%). These moves extended a broader rise in yields since the end of May, when the two-year and ten-year Treasury yields stood at 4.01% and 4.44%, respectively. The sharper increase in shorter maturities showed that investors were assigning greater weight to a near-term rate increase.

At the same time, the economic backdrop remains mixed. In July, headline and core inflation eased to 3.4% and 2.5%, respectively, remaining above the Fed's comfort zone. Meanwhile, labour market conditions have softened as hiring slows and earlier job gains were revised lower. These competing signals leave policymakers balancing the risk of easing too soon against that of maintaining tight policy for too long. Economists generally expect the next quarter-point rate cut in the third quarter of 2027, but market pricing suggests that investors anticipate a tightening of monetary policy. This divergence in expectations could contribute to periods of market volatility over the coming year.

While uncertainty around the Fed's next move may keep markets unsettled, expectations that interest rates will remain higher for longer continue to create attractive opportunities in fixed income. Short-dated investment-grade bonds may therefore remain attractive for investors prioritising income and capital stability. Those willing to accept greater fluctuations could use the current high-yield environment to add longer-dated government and quality corporate bonds, locking in income for an extended period and gaining potential price appreciation if interest rates eventually decline. Quality global equities can provide an additional source of long-term growth, with stronger companies better positioned to withstand elevated financing costs. Combining short- and long-term bonds with selective equities across regions and sectors can create a more resilient portfolio, allowing investors to benefit whether rates remain high for longer or gradually decline.

Water levels down, shipping costs up *(2 mins)*

The Panama Canal Authority (ACP) has announced a reduction in the number of vessels permitted to transit the waterway beginning in September as it responds to lower rainfall linked to El Niño. Unlike the Suez Canal, which operates at sea level, the Panama Canal relies on freshwater from Gatún Lake to power its lock system, with each transit requiring millions of litres of water. With water levels declining, the ACP has reduced daily vessel transits to preserve supplies for the expected 2027 dry season (January to April).

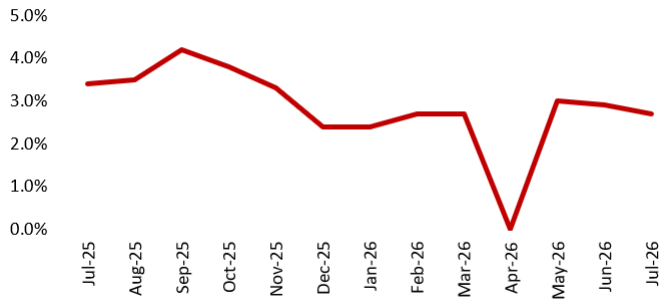
The move is expected to have significant implications for global trade given the Canal's critical role in linking Asia, the U.S. East Coast, Latin America and Europe. Reduced transit capacity is likely to increase wait times and competition for passage, prompting some carriers to reroute vessels through longer and more costly alternatives such as the Suez Canal or around the Cape of Good Hope. These diversions raise fuel, voyage and operating costs, placing upward pressure on freight rates. During the drought related capacity reductions of 2023 and 2024, shipping costs surged as carriers competed for limited transit slots and imposed surcharges on customers. If constraints continue, transportation costs could rise again, particularly for containerized cargo and agricultural exports that rely heavily on the canal, with the added costs ultimately passed on to businesses and consumers.

The restrictions also risk creating new supply chain challenges at a time when businesses are already navigating geopolitical tensions, shifting trade patterns and a slowing global economy. Longer transit times may prompt firms to hold larger precautionary inventories, increasing warehousing and financing costs. Industries dependent on tightly coordinated supply chains could be especially vulnerable, with prolonged congestion increasing the likelihood of delivery delays and production bottlenecks.

While many major economies have made progress in moderating inflation, higher freight and logistics costs could complicate efforts to bring inflation back to target. Although the impact is unlikely to approach the scale of the disruptions experienced during the COVID-19 pandemic, it introduces another source of inflationary pressure that central banks will need to monitor.

For Panama, the restrictions come amid an already challenging fiscal environment. Canal operations generate billions of dollars in annual revenue and are a key source of government transfers. A prolonged reduction in vessel traffic could weigh on toll collections and economic activity, limiting fiscal flexibility. While higher tolls and premium bids for transit slots may offset some losses, lower throughput would add to concerns about the country's fiscal position and growth prospects. Investors will likely monitor the extent and duration of the disruption, as weaker canal revenues could complicate fiscal consolidation efforts and weigh on sentiment toward Panamanian sovereign debt. Higher freight and logistics costs could also pressure trade dependent sectors such as retail, manufacturing and agriculture, potentially favouring companies with strong pricing power, diversified supply chains and resilient balance sheets.

U.S. Headline Inflation Rate



U.S. Bureau of Labor Statistics

Indices	Value	MoM	YTD
S&P 500 Index	7,719	-0.2%	12.8%
SPTSX Index	36,514	2.0%	15.1%
MSCI World Index	4,987	0.2%	12.6%

Source: Bloomberg

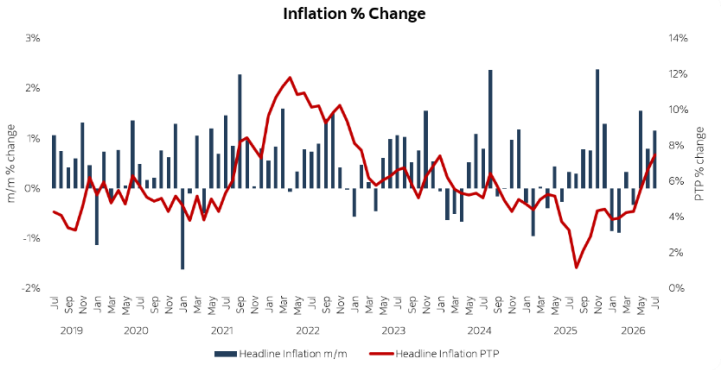
Strong buffers, rising pressures *(2 mins)*

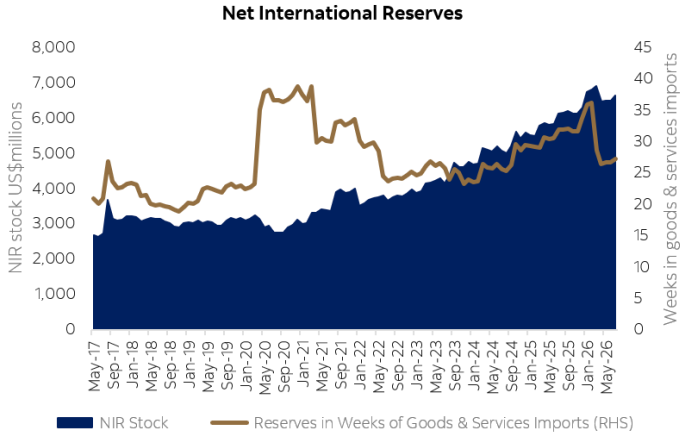
As Jamaica continues to recover from the hurricane-induced contraction, recent data offer investors some reassurance about the country's external position. Net international reserves rose by about US$151M in July to roughly US$6.64B, providing more than 26 weeks of projected goods and services import cover. Remittances also remained strong, rising 9.3% year-over-year in June to US$292.8M, while total inflows for the first half of 2026 increased by 4.2% to US$1.78B. While these trends support confidence, investors should pay keen attention to developments in the local foreign exchange market as well as the threat of rising inflationary pressures.

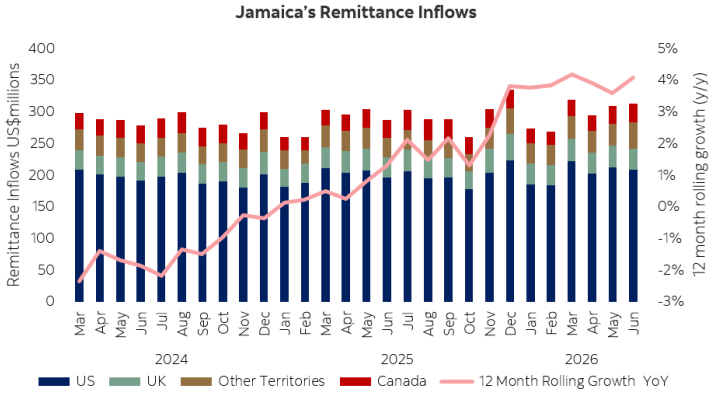
Since Hurricane Melissa, the central bank has maintained a proactive presence in the foreign exchange market to support orderly trading conditions and help contain imported inflation. Its interventions have helped to smooth volatility, given concerns about softer tourism flows and increasing demand for US dollars as post-hurricane rebuilding and preparation for seasonal imports raise the need for foreign currency. Although the Jamaican dollar remains stronger than a year earlier, recent bouts of depreciation could suggest that FX pressures have not fully dissipated and may warrant continued monitoring.

Inflation is the other pressure point for investors to watch. Headline inflation rose to 7.5% in July, moving further above the Bank of Jamaica's 4.0% to 6.0% target range. The increase was driven mainly by higher transport costs following the second phase of taxi and hackney carriage fare increases, as well as higher food, utility, and imported commodity prices. Global factors are also adding risk, with elevated fuel prices and geopolitical tensions keeping pressure on energy-related costs. For markets, this makes a quick shift to easier monetary policy less likely. Yields may therefore stay higher for longer, which supports income from fixed-income investments but could limit near-term gains from bond prices.

For investors, the key takeaway is to stay invested but be more selective. Strong reserves and remittances support confidence, but higher inflation and firm FX demand could keep interest rates elevated for longer. This favours a more disciplined approach: focus on high-quality issuers, maintain suitable foreign-currency exposure, and favour short- to intermediate-term bonds where yields remain attractive relative to interest-rate risk. Investors with a longer investment horizon may still find opportunities in select longer-dated securities, but should be mindful of greater price volatility.







Explainer: Why companies restructure their balance sheets *(3 mins)*

Investors in Jamaican equities frequently encounter announcements about rights issues, private placements, debt restructurings, asset sales and new share issuances. While these transactions can sometimes signal financial challenges, they are not always undertaken because a company is in distress. In many cases, they are part of a broader effort to strengthen the balance sheet, improve financial flexibility, or position the business for future growth.

A company's balance sheet is a snapshot of what it owns, what it owes, and the capital provided by shareholders. When profits come under pressure, debt levels become elevated, or cash resources are stretched, management may take steps to improve the company's financial position. Likewise, even financially healthy companies may adjust their capital structure to preserve cash, reduce liabilities, or create capacity for new investment opportunities.

The approach chosen will depend on the company's circumstances, strategic objectives, and market conditions. Some actions are designed to

address financial strain, while others seek to optimize the balance sheet and support long-term growth. Common strategies include:

- Accelerating receivables collections;
- Selling non-core assets;
- Raising additional debt or equity capital;
- Restructuring existing liabilities; and
- Converting debt into equity through debt-for-equity swaps.

When Balance Sheet Repair Is Not About Distress

Debt-to-equity conversions are not always undertaken because a company is in financial distress. In some cases, they are used strategically to preserve cash, reduce liabilities and improve a company's capacity for future growth.

A recent example is Sygnus Real Estate Finance (SRF), which carried a J$377.9M performance fee liability payable to its investment manager, Sygnus Capital Group. Rather than settling the obligation in cash, SRF approved the issuance of approximately 20.7M paid-in-kind (PIK) shares to satisfy the liability. This reduced the company's liabilities, strengthened its equity base, and preserved cash as it prepared for a new investment cycle. However, these transactions are not without trade-offs. The issuance resulted in approximately 6.0% dilution to existing shareholders, meaning they owned a slightly smaller percentage of the company after the new shares were issued. A larger share count could also lower earnings per share (EPS) and, if dividends remain unchanged, reduce dividends on a per-share basis. Additionally, debt-for-equity swaps can signal liquidity constraints, prompting investors to question why the obligation could not be settled through cash resources.

What Investors Should Consider

Announcements about debt restructuring, capital raises, or new share issuances often attract immediate attention from investors. However, these transactions should not be judged in isolation. The same action that signals financial stress for one company may represent a strategic decision for another. Rather than reacting to the headline, investors should focus on whether the transaction improves the company's financial flexibility, supports future growth, and creates long-term value for shareholders.

Market activity *(1 min)*

For August 2026, the JSE All Jamaican Composite Index declined by 597.68 points, or 0.13% month-over-month, to close at 444,952.20. The JSE Main Market Index declined by 556.04 points, or 0.15%, ending the month at 373,456.26. Overall activity on the Main Market resulted from trading in 66 stocks, of which 29 advanced, 35 declined and two traded firm. Market volume amounted to 1.1B units valued at approximately J$13.0B. Volume leaders for the month included Supreme Ventures Limited with 320.3M units (32.22% of trades), West Indies Petroleum Terminal Limited with 320.3M units (29.75%) and TransJamaican Highway Limited with 171.4M units (15.92%).

On the Junior Market, activity was driven by trading in 47 securities, of which 25 advanced and 21 declined, and one traded firm. Volume leaders for the month included Elite Diagnostic Limited at 90.5M units, representing 24.21% of total volume. Woodcats International Limited followed with 40.3M units (10.77%), while Derrimon Trading Company Limited accounted for 27.1M units (7.25%).

Market Quote for Month Ending August 31, 2026

Index	Opening Value	Closing Value	Total Volume	Value (J$)	MTD Change	YTD Change
Main Market	374,012.30	373,456.26	1,076,445,303	13,029,706,769.95	-0.15%	17.40%
Junior Market	2,976.70	3,001.17	373,953,379	583,198,811.61	0.82%	-11.80%

Source: JSE, SIJL

Sector	Top Advancers*	Top Decliners*
Finance	ISP	N/A
Manufacturing	SPURTREE	PURITY
Insurance	ROC	GENAC
Other	1GS	MEEG
Retail	MDS	FOSRICH

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

Sector	Top Advancers*	Top Decliners*
Finance	EPLY	VMIL
Conglomerate	SJ	JP
Other	PAL	ENERGY
Manufacturing	LASM	SELECTMD
Real Estate	CPFV	SRFJMD

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

Local stock market developments *(1 min)*

- Scotia Group Jamaica (SGJ) announced that its Extraordinary General Meeting (EGM) will be held on October 7, 2026, at 11:00 a.m. at the AC Hotel by Marriott. Shareholders will vote on the company's proposed scheme of arrangement, which will determine whether SGJ proceeds with its proposed privatization.

- NCB Financial Group (NCBFG) has completed the transfer of ownership of its wholly owned banking subsidiary, NCB (Cayman) Limited, to its Bermuda-based subsidiary, Clarien Bank Limited. NCBFG indicated that the transaction is not expected to have a material impact on the Group's earnings or asset base.

- NCBFG announced a series of leadership changes, with Group Chief Executive Officer Robert Almeida set to complete his tenure on September 30, 2026. He will be succeeded by Julian Mair, effective November 17, 2026. Sheree Martin has been appointed Chief Executive Officer of National Commercial Bank Jamaica (NCBJ), effective September 1, 2026.

- Sagicor Group Jamaica (SJ) declared a dividend of J$0.60 per share payable on October 8, 2026, to shareholders on record as of September 21, 2026.

- Omni Industries Limited (OMNI) declared a dividend of J$0.011 per share payable on October 30, 2026, to shareholders on record as of September 15, 2026.

- Proven Group Ltd. (PROVEN) declared a dividend of US$0.0020 per share payable on September 14, 2026, to shareholders on record as of August 28, 2026.

- Eppley Limited (EPLY) declared a dividend of J$0.102 per share payable on September 23, 2026, to shareholders on record as of September 11, 2026.

- Stanley Motta Limited (SML) declared a dividend of J$0.132 per share payable on September 24, 2026, to shareholders on record as of September 10, 2026.

Recently Released Key Economic Events				
Country/Region	**Event**	**Actual**	**Forecast**	**Previous**
	Wednesday, August 12, 2026			
USA	CPI YoY	3.4%	3.4%	3.5%
	Thursday, August 13, 2026			
UK	GDP YoY	1.2%	1.1%	1.1%
	Monday, August 17, 2026			
Canada	CPI YoY	3.0%	2.9%	2.8%
	Tuesday, August 18, 2026			
UK	ILO Unemployment Rate 3Mths	4.9%	4.8%	4.9%
USA	Manufacturing Production MoM	0.2%	0.2%	0.0%
	Wednesday, August 19, 2026			
UK	CPI YoY	2.9%	2.9%	2.6%
Eurozone	CPI YoY	2.9%	2.9%	2.9%
USA	FOMC Meeting Minutes	--	--	--
	Friday, August 21, 2026			
UK	S&P Global UK Manufacturing PMI	--	51.5	51.9
UK	S&P Global UK Services PMI	--	51.8	52.1
UK	S&P Global UK Composite PMI	--	51.6	52.2
USA	S&P Global US Manufacturing PMI	--	53.9	53.9
USA	S&P Global US Composite PMI	--	54.0	54.5
	Wednesday, August 26, 2026			
USA	PCE Price Index YoY	3.7%	3.6%	3.7%
	Friday, August 28, 2026			
Canada	GDP YoY	2.0%	2.0%	1.7%
	Tuesday, September 1, 2026			
UK	S&P Global UK Manufacturing PMI	51.7	51.5	51.5
Eurozone	CPI YoY	3.3%	3.3%	2.9%
Eurozone	Unemployment Rate	6.4%	6.3%	6.3%
Canada	S&P Global Canada Manufacturing PMI	53.0	--	53.5
USA	S&P Global US Manufacturing PMI	53.9	53.4	53.2
USA	ISM Manufacturing	54.6	55.2	55.6
	Wednesday, September 2, 2026			
Canada	Bank of Canada Rate Decision	2.3%	2.3%	2.3%
	Thursday, September 3, 2026			
UK	S&P Global UK Composite PMI	52.5	52.5	52.5
Eurozone	PPI YoY	5.8%	5.5%	4.6%
Canada	S&P Global Canada Composite PMI	47.8	--	49.7
USA	S&P Global US Services PMI	56.5	56.8	56.8
USA	S&P Global US Composite PMI	56.0	56.1	56
	Friday, September 4, 2026			
Canada	Unemployment Rate	6.4%	6.4%	6.4%
USA	Unemployment Rate	4.1%	4.1%	4.1%

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