

Scotia Canadian Equity Fund

Quarterly fund highlights

As of December 31, 2024

Market Review

The Canadian equity fund had a US\$ return of -0.47% in the 4th quarter of 2024 outperforming its benchmark S&P/TSX Composite Index, which returned -2.53% in US\$ terms. Security selection in the Materials and Consumer Discretionary sectors helped performance. The Bank of Canada reduced rates during the fourth quarter, with two cuts of 0.50% in October and December 2024.

Fund Performance* and Positioning

The Fund had a net return of -0.47% for the 3 months ending December 31, 2024.

The largest contributors to quarterly returns were Shopify, Onex Corporation and Amazon.com. The largest detractors from quarterly returns were Toronto-Dominion Bank, Northland Power and BCE. An overweight allocation and security selection in the Health Care were detractors of returns.

The Fund remains defensively positioned with a higher allocation to Health Care, Communication Services and Industrials and a lower allocation to Energy and Utilities than the benchmark. The Fund Manager focuses on building a diversified portfolio of high-quality businesses to generate long-term returns, emphasizing capital preservation and risk management. The Fund was primarily invested in Canada and had approximately 14.7% of its assets invested in the United States (US) and 2.4% in Taiwan, in industries with more investment opportunities than Canada.

Outlook

The Bank of Canada has provided considerable easing to the Canadian economy while the Canadian dollar remains very weak relative to our largest trading partner which should help support exports. Although the Canadian Federal Government is currently in disarray, an election will take place in the coming months and the expectation is that the outcome will be a more growth-focused direction supported by business-friendly policies.

Investment team



Don Simpson
Portfolio Manager
1832 Asset
Management L.P.

Don Simpson has more than 20 years of investment research and portfolio management experience. Don joined 1832 Asset Management L.P. in 2012 as Portfolio Manager after having worked for 8 years as a Portfolio Manager at a different firm. Don received a Bachelor of Business Administration from Bishop's University in 1994 and gained his CFA designation in 1998.



Eric Mencke
Portfolio Manager
1832 Asset
Management L.P.

Eric Mencke has over 20 years of investment industry experience and joined 1832 Asset Management L.P. as a portfolio manager in 2016. Eric was a portfolio manager at a major Canadian mutual fund company for the prior 8 years. He is a CFA charterholder, earned a CPA, CA, designation in 1999, and both a Bachelor of Arts in Administrative and Commercial Studies from Western University, and a Diploma in Accounting from Wilfrid Laurier University in 1995.

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Additionally, although President Trump's recent statements are garnishing big reactions from Canadian politicians, ultimately all parties are incentivized to come to acceptable deals. Finally, from a valuation perspective, Canadian equities are considered attractively priced relative to their US counterparts.

Due to elevated equity valuations and potential economic uncertainties, a cautious investment approach is recommended, with a focus on value-oriented stocks. The Canadian market remains attractive due to its lower valuation, strong banking system, and significant exposure to materials and energy sectors.

*As of December 31, 2024, performance returns for the Scotia Canadian Equity Fund are as follows: 1 month: -3.64%, 3 Mos: -0.47%, 6 Mos: 8.30%, YTD: 10.36%, 1 Yr: 10.36% , 3 Yrs: 4.01% , 5 Yrs: 7.41% , 10 Yrs: 2.97% , and since inception (06/23/1994): 5.76% . Performance returns for the S&P/TSX Composite Total Return USD benchmark are as follows: 1 month -5.83%, 3 Mos: -2.53%, 6 Mos: 9.13%, YTD: 11.53%, 1 Yr: 11.53%, 3 Yrs: 3.98%, 5 Yrs: 8.80%, 10 Yrs: 6.32%.

Legal disclaimer

Important information concerning the investment goals, risks, charges and expenses of investing in the mutual funds contained in the Portfolio are contained in the relevant prospectus. Investors should carefully consider these before investing. Copies are available from the financial institution where you are buying the portfolio and should be read carefully before investing. Commissions, management fees and expenses all may be associated with investing in mutual funds. 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. Their values change frequently, including the amount of income that you may receive (where applicable), and you may not get back the original amount you invested. Information on performance provided herein is subject to variation and is likely to change over time. Past performance may not be repeated and should not be treated as an indicator of future performance. The indicated rates of return are the historical annual compound total returns including changes in share value and reinvestment of all distributions and do not take into account sales charges or fees, redemptions, distributions or optional charges or income taxes payable by any security holder that would have reduced returns. 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. 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. Scotia Funds (formerly Scotiabank Mutual Funds) 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. Scotia Global Asset Management is a business name used by the following legal entities of Scotiabank: Scotia Fondos S.A. de CV Sociedad Operadora de Sociedades de Inversión, Scotia Administradora General de Fondos Chile S.A., Scotia Fondos Sociedad Administradora de Fondos Mutuos S.A., Fiduciaria Colpatria S.A., Scotiabank & Trust (Cayman) Ltd., Scotia Investments Jamaica Ltd, Scotia Investments Trinidad and Tobago Limited ("SITTL"), Scotia Sociedad de Fondos de Inversión, S.A, and 1832 Asset Management L.P., a limited partnership, the general partner of which is wholly owned by Scotiabank. Scotia Global Asset Management offers a range of wealth management solutions, including mutual funds, and investment solutions for private clients, institutional clients and managed asset programs. Net asset value information of the Scotia Funds can be found on Bloomberg, in the Equities section, and on the Cayman Islands Stock Exchange (CSX), website www.csx.ky under "Scotiabank". Scotia Funds are regulated by the Cayman Islands Monetary Authority. TM Trademark of the Bank of Nova Scotia, used under license.