

# Scotia Global Equity Fund

## Quarterly fund highlights

As of December 31, 2024

## Market Review

Global equities had a -0.99% return in the 3rd quarter of 2024, with growth outpacing value during the quarter given the impact of the U.S. constituents.

In the fourth quarter, the Federal Reserve cut interest rates twice for a total of 0.50%, with the first cut in November and the second in December. During the December announcement, the Fed projected a slower pace of rate cuts as we enter 2025, citing the ongoing battle with inflation that has dominated headlines throughout the year.

Other major central banks continued the rate-cutting cycle, with the European Central Bank cutting rates by 0.25% in October and December; more reductions are likely in 2025 due to a challenging macroeconomic environment and stunted growth. The United Kingdom also reduced interest rates by 0.25% in November in response to weakening economic data and softening demand.

One reason for the persistent inflation is the continued strong performance of the economy. Indicators such as job gains, consumer spending, and the ISM manufacturing survey all point to a pickup in growth.

## Fund Performance\* and Positioning

During the fourth quarter, the fund had a net of fee return of -9.18% for the 3 months ending December 31, 2024, underperforming its benchmark MSCI ACWI Index.

Discretionary and Information Technology sectors were the main detractors. Notable individual securities that underperformed included Samsung Electronics, Elevance Health, Evolution Gaming, Stora Enso. Furthermore, the Fund's underweight position in the United States and the security selection in the United Kingdom negatively impacted its performance.

### Scotia Global Asset Management Core Global Equity Team

Portfolio Managers since February 16,  
2024

1832 Asset Management L.P.



**Dana Love,**  
MSc., CFA

Vice President &  
Senior Portfolio  
Manager  
SGAM: 10 years  
Industry: 26 years



**Kevin Kaminski, MBA,**  
CFA

Portfolio Manager  
SGAM: 9 years  
Industry: 19 years

# Scotia Global Equity Fund

The Fund is actively managed with a core style and will generally invest in between 28 and 40 companies in both developed and emerging markets. It invests in high quality, well managed businesses with sustainable competitive advantages, strong balance sheets and a solid track record of value creation. The portfolio manager has a disciplined investment process that is based on fundamental analysis and a longer-term perspective to provide upside participation and downside protection compared to the Fund's benchmark.

## Outlook

The short-term acceleration in economic activity is countering expectations for a more meaningful slowdown in the global economy due to the lagged impact of tighter monetary policy. As such, global growth is expected to be stable but slower relative to recent years. Economic growth in the U.S. is expected to be higher than in most other developed economies. U.S. consumer spending, a key driver of the economy, remains resilient due to stable employment, inflation that has trended lower, and increased household wealth. The European economy is expected to be supported by continued monetary easing which will support consumption and investment, but growth is expected to remain low. Additionally, Chinese stimulus in response to below-target growth could lead to upward revisions in growth forecasts for the next 12-18 months.

Markets are richly priced with high concentration and lofty valuations. Central banks' response to potential growth slowdown requires continued progress on inflation. Additionally, rising geopolitical tension and increasing polarization globally present another source of risk to markets.

\*As of December 31, 2024, performance returns for the Scotia Global Equity Fund are as follows: 1 month: -3.74%, 3 Mos: -9.18%, 6 Mos: -5.54%, YTD: 2.58%, 1 Yr: 2.58%, 3 Yrs: -0.83%, 5 Yrs: 2.93%, 10 Yrs: 4.45%, and since inception (06/23/1994): 4.40%. Performance returns for the MSCI All Country World Net Return USD benchmark are as follows: 1 month -2.37%, 3 Mos: -0.99%, 6 Mos: 5.56%, YTD: 17.49%, 1 Yr: 17.49%, 3 Yrs: 5.44%, 5 Yrs: 10.06%, 10 Yrs: 9.23%.

## 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](http://www.csx.ky) under "Scotiabank". Scotia Funds are regulated by the Cayman Islands Monetary Authority. <sup>TM</sup> Trademark of the Bank of Nova Scotia, used under license.