

Quarterly fund performance update

As of March 31, 2023

Fund highlights

Below is information on what specifically affected the performance of each fund, and how the Portfolio Manager is positioning the fund going forward.

Contributors (factors that helped performance)	Detractors (factors that hindered performance)	Positioning at quarter end	Outlook: short-term and long-term
Scotia Money Market Fund (US\$)			
<ul style="list-style-type: none"> < The gross yield for the Fund increased from 4.04% to 4.77% during the quarter < This was due to two 0.25% interest rate increases by the U.S. Federal Reserve during the quarter < Fund performance was enhanced by exposure to Secured Overnight Financing Rate notes (SOFR), which benefitted from the increase in interest rates 	<ul style="list-style-type: none"> < The fund's holdings of longer-term money market instruments did not increase as much as shorter-term instruments due to the increase in interest rates 	<ul style="list-style-type: none"> < Increased holdings of one-month commercial paper and longer-term AAA rated money market instruments due to their higher yield < A lower average term to maturity than the benchmark to enhance liquidity and to allow for matured holdings to be reinvested at higher rates < A higher average credit rating than the benchmark to reduce risk 	<ul style="list-style-type: none"> < The U.S. Federal Reserve has indicated that there may be one additional interest rate increase in the near term and that any the future increases would be dependent on inflation levels < A high interest rate policy may be maintained for longer than forecast to ensure that inflation does not increase
Scotia Premium Money Market Fund (J\$)			
<ul style="list-style-type: none"> < The Fund's overweight allocation to money market securities, local corporate fixed rate and variable rate bonds contributed to performance during the quarter. < Overweight allocation to local GOJ variable rate bond 	<ul style="list-style-type: none"> < The Fund's overweight allocation to local Government fixed rate bonds detracted from performance 	<ul style="list-style-type: none"> < Currently invested 26% in variable rate instruments and 50% in money market securities, hence the Fund has sufficient flexibility to position to benefit from movements in interest rates. < Rebalancing the portfolio to maximize corporate bond exposure with a focus on acquiring more attractively priced corporate bonds and money market securities. 	<ul style="list-style-type: none"> < BOJ has continued to tighten its monetary policy by increasing its benchmark Policy Rate to 7.00% in response to rising inflation. < It is anticipated BOJ will reduce the pace of interest rate increases which means that interest rate volatility is expected to moderate in 2023. The Investment Managers will therefore focus on mitigating the downside impact of interest rate volatility on the fixed rate bonds in the Fund whilst taking advantage of attractive pricing on money market securities

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Scotia US Dollar Bond Fund (US\$)			
<ul style="list-style-type: none"> < The Fund had a return of 1.82%, net of fees, during the quarter < The Fund's credit spread strategies, including its selection of agency mortgage-backed securities and a lower allocation to corporate bonds, contributed to performance < The Fund's interest rate strategies were generally neutral to its performance over the quarter, although there was a contribution from its duration and yield curve positioning 	<ul style="list-style-type: none"> < The Fund's interest rate strategies in the Eurozone, including instrument selection, detracted from fund performance < The Fund's exposure to financial issuers was impacted by instability in that sector following the collapse of several banks 	<ul style="list-style-type: none"> < A lower duration than the benchmark with a preference for the intermediate term bonds < Increased allocation to MBS with higher coupons due to their attractive valuation < A lower allocation to corporate bonds, with exposure to high quality issuers, due to the potential for wider credit spreads < Short exposure to Japanese interest rates due to the potential for higher yields resulting from an increase in inflation 	<ul style="list-style-type: none"> < Recent volatility in the banking sector has raised the prospect of a significant tightening of credit conditions in the U.S. and Europe and increased the potential for a recession < Core inflation rates in the U.S. have fallen for 5 consecutive months, and headline inflation has declined for 8 consecutive months < Global central banks are likely near the end of their tightening cycle due to the combination of a higher cost of lending and early signs of easing inflation
Scotia Caribbean Income Fund (US\$)			
<ul style="list-style-type: none"> < The Fund's Selection of corporate bonds < The Fund's Selection of Non-Caribbean Sovereign bonds 	<ul style="list-style-type: none"> < The Fund's selection of Caribbean Sovereign bonds < The Fund's underweight allocation to Non-Caribbean Sovereign Bonds 	<ul style="list-style-type: none"> < Increase exposure to money market securities < Monitor Fund's duration based on interest rate outlook < Rebalance holdings to mitigate bond price volatility 	<ul style="list-style-type: none"> < Interest rates are expected to remain elevated with continued rate increases the US Federal Reserve, albeit at a slower pace, in order to temper inflation. < Slowdown in economic growth and continued inversion of the US treasury yield curve < Reduced volatility in bond market
Scotia Premium Fixed Income Fund (J\$)			
<ul style="list-style-type: none"> < TOverweight allocation to global Corporate fixed rate, Caribbean and non- Caribbean sovereign global bonds contributed to performance during the quarter 	<ul style="list-style-type: none"> < Detractors included the allocation to fixed rate GOJ instruments. < Negative currency effect due to JMD appreciation < The Fund's overweight allocation to cash & equivalents. 	<ul style="list-style-type: none"> < Reducing overvalued GOJ global bonds in favor of undervalued Investment Grade (IG) sovereign and USD IG corporate bonds < Rebalancing USD exposure to manage the currency impact as a result of the two-way movement. 	<ul style="list-style-type: none"> < The US Fed is expected to temper its aggressive stance on monetary policy in 2023. Nevertheless, local and USD Interest rates are expected to remain elevated. < Over the near-term, it is expected that the two-way movement in the FX rate should continue in 2023 as both foreign exchange and domestic currency supply remains adequate

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Scotia Premium Growth Fund (J\$)			
<ul style="list-style-type: none"> < The Fund's overweight allocation to and selection of US equities < The Fund's selection of local equities < The Fund's overweight allocation to cash and cash equivalents 	<ul style="list-style-type: none"> < Currency effect on USD denominated instruments in the Fund < The Fund's overweight allocation to fixed income securities 	<ul style="list-style-type: none"> < Convert USD to JMD based on outlook for exchange rate movement < Increase money market exposure based on rising interest rates < Increase fixed income exposure to reduce overall Fund volatility < Rebalance equity holdings to reduce exposure to cyclical stocks and increase exposure to defensive stocks 	<ul style="list-style-type: none"> < Bearish outlook for local main stock market given elevated interest rates < Choppy US stock market performance given expected slowdown in economic activity due to elevated interest rates
Scotia Premium US\$ Indexed Fund (J\$)			
<ul style="list-style-type: none"> < The Fund's selection of international corporate bonds < The Fund's selection of non-Caribbean sovereign bonds < The Fund's overweight allocation to cash and cash equivalents 	<ul style="list-style-type: none"> < The Fund's selection on locally issued corporate debt < Currency effect on USD denominated instruments in the Fund < The Fund's selection of government of Jamaica global bonds 	<ul style="list-style-type: none"> < Converting USD to JMD to reduce the Fund's USD allocation. < Rebalancing GOJ and non-GOJ sovereign bond allocation. < Increase exposure to money market instruments in light of rising interest rates. 	<ul style="list-style-type: none"> < Interest rates are expected to remain elevated with continued rate increases the US Federal Reserve, albeit at a slower pace, in order to temper inflation. < Over the near-term, it is expected that the two-way movement in the FX rate should continue as both foreign exchange and domestic currency supply remains adequate. < Inverted US treasury yield curve < Reduced volatility in bond market
Scotia Global Equity Fund (US\$)			
<ul style="list-style-type: none"> < The Fund had a return of 3.76%, net of fees, during the quarter < The Fund's allocation to the Quality factor outperformed < The Fund's holdings that had the highest return were companies in the Technology and Communication services sectors < The Fund's foreign holdings outperformed its U.S. holdings 	<ul style="list-style-type: none"> < The Fund's allocation to the Momentum and Small Cap factors detracted from returns < The Fund's holdings that had the lowest return were companies in the Energy, Healthcare and Financial Services sectors < The Fund's allocation to Emerging Markets detracted from returns during the quarter 	<ul style="list-style-type: none"> < The Fund is conservatively invested in high quality, dividend paying businesses that will grow over the long-term and generate attractive risk-adjusted returns through different economic cycles < The Fund had a higher allocation than the benchmark to Consumer Staples, Industrials, Utilities, Energy, Financial Services and a lower allocation to Technology, Consumer Discretionary and Communication Services < The Fund has a regional allocation of approximately 60% US, 28% developed international, and 12% emerging markets 	<ul style="list-style-type: none"> < Equity valuations have improved due to the broad decline in prices over the past year < Earnings growth continued to slow due to weaker demand, higher interest rates and an increase in costs < Many central banks have significantly raised interest rates and are at risk of over tightening < Inflation has remained persistently high primarily due to the cost of shelter

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Scotia US Equity Fund (US\$)			
<ul style="list-style-type: none"> < The Fund had a return of 2.50%, net of fees, during the quarter < The Fund's allocation to the Quality factor outperformed < The Fund's holdings that had the highest return were companies in the Technology and Communication services sectors 	<ul style="list-style-type: none"> < The Fund's allocation to the Momentum, Dividend and Low Volatility factors detracted from returns < The Fund's holdings that had the lowest return were companies in the Energy, Healthcare, Financial Services and Utilities sectors 	<ul style="list-style-type: none"> < The Fund is conservatively invested in high quality, dividend paying business that will grow over the long-term and generate attractive risk-adjusted returns through different economic cycles < The Fund has a significantly higher allocation than the benchmark to Consumer Staples, Industrials and Energy sectors and a significantly lower allocation to the Technology, Communication Services and Consumer Discretionary sectors 	<ul style="list-style-type: none"> < Equity valuations have improved due to the broad decline in prices over the past year < Earnings growth continued to slow due to weaker demand, higher interest rates and an increase in costs < Many central banks have significantly raised interest rates and are at risk of over tightening < Inflation has remained persistently high primarily due to the cost of shelter
Scotia Canadian Equity Fund (US\$)			
<ul style="list-style-type: none"> < The Fund had a return of 4.41% during the quarter < The Fund's largest contributors to quarterly returns were Salesforce.com, Microsoft and Westshore Terminals < The Fund's higher allocation to the Information Technology sector and lower allocation to the Energy sector contributed the most to quarterly fund returns 	<ul style="list-style-type: none"> < The Fund's largest detractors from quarterly returns were TD Bank, Northland Power and ARC Resources < The Fund's holdings of securities in the Health Care and Materials sectors detracted from returns 	<ul style="list-style-type: none"> < The Fund remains defensively positioned with a higher relative allocation to Technology and Healthcare and a lower relative allocation to Energy and Financials < The Fund is conservatively invested in high quality businesses with sound business models, strong management, solid fundamentals, and a sufficient margin of safety. < The Fund had 18.9% of its assets invested outside Canada due to the larger number of investment opportunities. < The Fund hedged 50% of its Canadian dollar exposure to reduce foreign exchange risk 	<ul style="list-style-type: none"> < Several economic indicators infer an uncertain outlook amid high interest rate and persistent inflation < Canadian equities have valuations that are meaningfully lower than U.S. and International equities < Canada has an investment environment that is supported by a stable banking and political system, with strong immigration growth

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Scotia Premium Short Term Income Fund J\$			
<ul style="list-style-type: none"> < Overweight allocation to money market securities < Overweight allocation to corporate bonds < Overweight allocation to Bank of Jamaica securitied 	<ul style="list-style-type: none"> < Underweight allocation to GOJ local bonds 	<ul style="list-style-type: none"> < Increase exposure to variable rate and short duration corporate bonds < Increase exposure to Bank of Jamaica securities < Increase exposure to money market securities 	<ul style="list-style-type: none"> < Elevated local interest rates < Moderately high but declining inflation rate <
Scotia Premium Short Term Income Fund US\$			
<ul style="list-style-type: none"> < Overweight allocation to money market securities < Overweight allocation to local USD corporate bonds < Overweight allocation to Bank of Jamaica securities < Selection of investment grade sovereign bonds 	<ul style="list-style-type: none"> < Underweight allocation to investment grade sovereign bonds 	<ul style="list-style-type: none"> < Increase exposure to short duration sovereign and corporate global bonds < Reduce exposure to money market securities 	<ul style="list-style-type: none"> < The US Fed is expected to continue moderately increase interest rates in 2023. < Inverted US treasury yield curve < Reduced volatility in bond market

Quarterly fund performance update

Historical fund and portfolio performance

As of March 31, 2023, all data is reported in the base currency of the Fund. Returns are net of management fees and fund expenses are expressed as a percentage which are based on Class A assets and currencies. Returns are annualized with the exception of periods less than one year.

Funds	Inception date	1 month	3 months	6 months	YTD	1 year	3 years	5 years	10 years	Since inception
Scotia Money Market Fund Series A	10/27/1999	0.32	0.96	1.65	0.96	2.01	0.70	1.04	0.61	1.41
Benchmark 1: ICE BofAML 0-3 M US Trsy Bill TR USD		0.42	1.09	1.09	1.99	2.61	0.91	1.38	0.84	
Scotia Premium Money Market Fund Series A	07/06/2011	0.62	1.73	3.50	1.73	5.97	2.84	2.20	N/A	3.87
3-Month GOJ T-Bill		0.69	2.00	4.01	2.00	7.03	3.38	2.83	N/A	
Scotia US Dollar Bond Fund Series A	12/21/1992	1.56	1.82	3.47	1.82	-7.89	-3.90	-0.50	-0.35	3.14
Benchmark 1: ICE BofAML US Corp&Govt TR USD		2.54	2.96	2.96	4.89	-4.78	-2.77	1.08	1.48	
Scotia Caribbean Income Fund Series A	03/31/2009	-0.02	1.49	6.12	1.49	-0.28	0.74	0.02	1.29	3.42
Scotia Caribbean Bond Index		0.47	2.04	8.42	2.04	1.35	3.88	3.06	N/A	
Scotia Premium Fixed Income Fund Series A	02/11/1994	0.34	1.84	3.82	1.84	2.17	2.85	3.86	5.15	9.03
SIJL Customized Medium Term JA\$ Bond Benchmark		0.84	2.03	5.95	2.03	3.09	2.41	N/A	N/A	
Scotia Premium US Dollar Indexed Fund	01/15/2016	-1.00	1.53	1.98	1.53	-2.64	5.58	4.80	N/A	4.91
SIJL Customized US\$ Indexed Bond Benchmark		-0.64	2.20	2.85	2.20	-6.61	5.69	N/A	N/A	
Scotia Global Equity Fund Series A	06/23/1994	2.07	3.76	15.79	3.76	-7.42	9.54	-0.03	5.31	4.28
Benchmark 1: MSCI ACWI NR USD		3.08	7.31	7.31	17.78	-7.44	15.36	6.93	8.06	
Scotia US Equity Fund Series A	10/27/1999	1.47	2.50	13.52	2.50	-7.31	12.04	4.47	8.00	3.07
Benchmark 1: S&P 500 TR USD		3.67	7.50	7.50	15.62	-7.73	18.60	11.19	12.24	
Scotia Canadian Equity Fund Series A (U\$)	06/23/1994	1.02	4.41	9.64	4.41	-7.83	15.13	5.76	1.39	5.50
Benchmark 1: S&P/TSX Composite TR USD		0.38	4.68	4.68	12.48	-12.48	20.02	7.75	4.81	
Scotia Premium Growth Fund Series A	06/23/1987	1.02	0.60	-1.92	0.60	-9.14	2.01	3.09	14.35	12.86
SIJL Customized Jamaican Equity Benchmark		1.35	-4.00	-6.05	-4.00	-8.66	3.09	6.84	N/A	
Scotia Premium Short-Term Income Fund (JMD)	11/16/2021	0.76	1.93	4.35	1.93	6.84				5.57
SIJL Customized JMD Short-Term Benchmark		0.41	1.03	2.96	1.03	5.12				
Scotia Premium Short-Term Income Fund (USD)	11/16/2021	0.36	0.86	1.83	0.86	3.10				2.63
SIJL Customized USD Short-Term Benchmark		0.27	0.51	0.80	0.51	1.00				

*Benchmark returns are based solely on the 3-month GOJ T-Bill rates for the 1-month and 3-month periods, while for the remaining periods the returns are based on a combination of the 1-month and 3-month GOJ T-bill rates

**Comprises the top 25 most liquid stocks on the Jamaica Stock Exchange, with a 5% carve out for cash

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Legal disclaimer

Important information concerning the investment goals, risks, charges and expenses of investing in the mutual funds and unit trusts contained in the Portfolio are contained in the relevant prospectus or offering circular. 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 and unit trusts. Mutual funds and unit trusts 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 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 mutual funds or unit trusts. Scotia Funds (formerly Scotiabank Mutual Funds) and Scotia Global Asset Management, are brand names under which the Scotiabank Group of Companies, including Scotiabank & Trust (Cayman) Ltd. and Scotia Investments Jamaica Limited, markets and distributes mutual funds and unit trusts. 1832 Asset Management L.P. is a limited partnership, the general partner of which is wholly owned by Scotiabank and is the Investment Fund Manager for Scotia Funds and Dynamic Funds. 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". Net asset value information of the unit trusts can be found on scotiainvestmentsjm.com. TM Trademark of the Bank of Nova Scotia, used under license.