

# Scotia Premium Money Market Fund

## Quarterly fund highlights

As of June 30, 2022

## Market Review

The Statistical Institute of Jamaica (STATIN) reported that the Jamaican economy grew by 6.4% during the first quarter of 2022 when compared to the first quarter of 2021. This was due to growth in both the Services and Goods Producing Industries of 8.9% and 0.4% respectively. The easing of Covid-19 containment measures, including the withdrawal of the Disaster Risk Management Order during the period, positively impacted economic activity.

All segments within the Services Industries grew with Hotels & Restaurants (107.1%) accounting for the major growth. The 230.1% increase in foreign national arrivals during the period positively impacted this industry. Within the Goods Producing Industries, higher output levels were recorded for Agriculture, Forestry & Fishing (8.2%), Manufacturing (4.0%), and Construction (3.5%). However, the Mining & Quarrying industry declined by 60.0%. The Agriculture, Forestry & Fishing industry benefitted from favourable weather conditions.

The JMD appreciated by 1.60% during the second quarter relative to an appreciation of 0.8% during the previous quarter and 2.06% over the prior month. This was in the context where there was no market intervention from the BOJ in June. The JMD to USD exchange rate ended the quarter at J\$151.56, relative to J\$153.37 as of March 31, 2022.

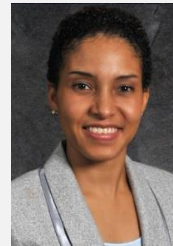
## Fund Performance\* and Positioning

The Fund had a 3-month net return of 1.05% at the end of Q2, which was lower than the benchmark's return of 1.30%.

The Fund's overweight allocation to local corporate bonds and to variable rate bonds contributed to performance during the quarter, while the Fund's overweight allocation to a GOJ fixed rate bond was the primary detractor. The Fund is currently invested 42% in variable rate instruments and 48% in money market securities, hence the Fund is well-positioned to benefit from the uptick in interest rates.

The team is focused on rebalancing the portfolio to maximize corporate bond exposure with a focus on acquiring more attractively priced variable rate corporate bonds, short-term GOJ fixed rate bonds, and BOJ CDs.

## Investment team



**Lisa Dixon**  
Portfolio Manager  
Scotia Investments

Lisa joined Scotia Investments Jamaica Ltd. (SIJL) in 2007 and currently manages the investments of the Scotia Premium Fixed Income Fund and Scotia Premium Money Market Fund Unit Trust Funds offered by SIJL which amount to over J\$47Bn in AUM. She has over nineteen (19) years of experience in investment management including fund management within defined risk profiles, equity analysis, market analysis and project evaluation. Lisa holds an MBA in Banking & Finance from Hofstra University, New York and a BSc. in Accounting from the University of the West Indies, Mona

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## Outlook

The BOJ has continued to tighten its monetary policy by increasing its benchmark Policy Rate to 5.50% in response to rising inflation. Over the near-term, external inflationary pressures are likely to remain elevated as supply chain disruptions, higher oil prices and higher commodity prices persist. It is therefore likely that the BOJ will continue to raise its Policy Rate, setting the foundation for market interest rates to remain elevated.

\*As of June 30, 2022, performance returns for the Scotia Premium Money Market Fund are as follows: 1 month: 0.39%, 3 Mos: 1.05%, 6 Mos: 1.73%, YTD: 1.73%, 1 Yr: 2.46%, 3 Yrs: 1.48%, 5 Yrs: 1.64%, 10 Yrs: N/A%, and since inception (07/06/2011): 3.69%. Performance returns for the 3-Month GOJ T-Bill benchmark are as follows: 1 month 0.49%, 3 Mos: 1.30%, 6 Mos: 2.11%, YTD: 2.11%, 1 Yr: 2.98%, 3 Yrs: 1.91%, 5 Yrs: 3.32%, 10 Yrs: N/A%.

## 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](http://www.csx.ky) under "Scotiabank". Net asset value information of the unit trusts can be found on [scotiainvestmentsjm.com](http://scotiainvestmentsjm.com). <sup>TM</sup> Trademark of the Bank of Nova Scotia, used under license.