

Scotia Canadian Equity Fund

Quarterly fund highlights

As of December 31, 2025

Market Review

The S&P/TSX Composite Index had a strong fourth quarter, finishing up 7.85%, while the S&P 500 Index return was more subdued at 2.66%; marking the third year in a row in which both the Canadian and U.S. indices produced double digit total returns. The strongest returns came from the financials and materials sectors, while the industrial and real estate sectors were weaker; gold equities were driven by a 12% increase in the gold price, with global fiscal instability driving investors to gold as a store of value in lieu of currencies.

The Bank of Canada cut its benchmark interest rate by 25 basis points to 2.25% and the U.S. Federal Reserve cut the federal funds rate in October and December 2025, with both central banks moving toward easing monetary conditions. Canadian politics has been dominated by efforts to reorient trade and diplomacy away from heavy dependence on the United States toward major Asian partners.

Fund Performance* and Positioning

The Fund had a net return of 3.53% for the 3 months ending December 31, 2025. The Fund's selection of securities in Real Estate sector contributed to returns.

The Fund's largest individual holdings that were contributors to quarterly returns were Royal Bank of Canada, Toronto-Dominion Bank and Power Corp of Canada. The Fund's selection of Industrials sector and underweight in Energy sector was the largest detractor from returns. The Fund's largest individual holdings that were detractors from quarterly returns were Northland Power, Telus Corp, and Franco-Nevada Corp

The fund seeks to deliver long-term capital appreciation by investing in high-quality businesses that have a leadership position in their respective industry, attractive valuations, well-capitalized, high margins and market share and run by proven management team.

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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Outlook

We maintain a cautious stance and the mood remains guarded despite market hitting all time highs. While the Bank of Canada has provided considerable easing to the Canadian economy, they're likely at, or near, the end of their current easing cycle.

*As of December 31, 2025, performance returns for the Scotia Canadian Equity Fund are as follows: 1 month: 2.35% , 3 Mos: 3.53% , 6 Mos: 9.68% , YTD: 19.07% , 1 Yr: 19.07% , 3 Yrs: 13.74% , 5 Yrs: 10.46% , 10 Yrs: 7.52% , and since inception (06/23/1994): 6.16% . Performance returns for the S&P/TSX Composite Total Return USD Benchmark are as follows: 1 month 3.04% , 3 Mos: 7.85% , 6 Mos: 18.98% , YTD: 38.16% , 1 Yr: 38.16% , 3 Yrs: 20.95% , 5 Yrs: 14.40% , 10 Yrs: 12.81%.

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 Colpatría 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.