

Scotia Money Market Fund

Quarterly fund highlights

As of March 31, 2024

Market Review

The U.S. Federal Reserve kept the policy interest rate unchanged at 5.50% as at the end of the first quarter of 2024. Real GDP expanded at an annualized rate of 1.6% in Q1, which was significantly lower than the 3.4% in Q4 2023. Personal Consumption Expenses (PCE), the Fed's preferred measure of inflation, increased from 2.6% in December 2023 to 2.7% in March 2024. Policymakers indicated that they do not intend to lower interest rates until they have greater confidence that inflation is on track to reach its 2% target. The yield on 3-month US Treasury Bills increased from 5.40% at December 31, 2023 to 5.46% at March 31, 2024, which is the highest rate since 2001.

Fund Performance* and Positioning

The Fund had a gross yield of 5.43% of March 31, 2024.

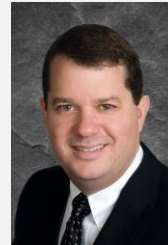
The Fund's performance was enhanced by a barbell strategy during the quarter with a higher allocation to shorter-term and longer-term money market instruments. The Fund also had a lower average term to maturity than the benchmark to enhance liquidity and increase yield. The Fund maintained a higher average credit rating than the benchmark to reduce risk.

Outlook

There are indications that economic growth, employment growth and inflation may continue to slow. Financial markets currently forecast a minimum of three rate cuts in 2024. However, this interest rate outlook is uncertain as policymakers have indicated that they may remain restrictive for a longer time period to ensure that inflation does not increase.

*As of March 31, 2024, performance returns for the Scotia Money Market Fund are as follows: 1 month: 0.38%, 3 Mos: 1.22%, 6 Mos: 2.40%, YTD: 1.22%, 1 Yr: 4.71%, 3 Yrs: 2.23%, 5 Yrs: 1.65%, 10 Yrs: 1.07%, and since inception (10/27/1999): 1.54%. Performance returns for the BofAML US US Treasury Bills 0-3 Mon Total Return USD benchmark are as follows: 1 month 0.46%, 3 Mos: 1.32%, 6 Mos: 2.70%, YTD: 1.32%, 1 Yr: 5.33%, 3 Yrs: 2.64%, 5 Yrs: 2.01%, 10 Yrs: 1.36%.

Investment team



Bill Girard
Portfolio Manager
1832 Asset
Management L.P.

Bill Girard is Vice President & Portfolio Manager at 1832 Asset Management L.P. Bill is a member of the fixed income team at 1832 Asset Management L.P. and predecessor companies where he is responsible for credit risk across all managed client portfolios. Bill has both a Bachelor of Science and a Bachelor of Commerce degree from the University of Windsor, as well as an MBA from the University of Miami, graduating Beta Gamma Sigma. He also holds the Chartered Financial Analyst designation and is a past director of the Toronto CFA Society.

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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.