

Scotia Money Market Fund

Quarterly fund highlights

As of September 30, 2023

Market Review

The yield on U.S. money market instruments continued to increase in the second quarter. The U.S. Federal Reserve increased the policy interest rate by 0.25% in July, to 5.50%, and left it unchanged in September to assess additional information and its potential impact on monetary policy. The yield on 3-month US Treasury Bills increased from 3.36% at September 30, 2022 to 5.55% at September 30, 2023. This is the highest rate since 2001 and represents one of the fastest monetary tightening periods in U.S. history.

Fund Performance* and Positioning

The Fund had a gross yield of 5.37% at September 30, 2023.

Fund performance was enhanced by exposure to Secured Overnight Financing Rate notes (SOFR), which benefitted from the increase in interest rates. The Fund maintained a barbell strategy during the quarter with a higher allocation to 1-month instruments and nine-to-12-month instruments during the quarter. The Fund also had a lower average term to maturity than the benchmark to enhance liquidity and a higher average credit rating than the benchmark to reduce risk.

Outlook

The U.S. economy has remained resilient against higher interest rates and economic uncertainty. Inflation has fallen but remains above the central bank's 2% longer-term target due primarily to high costs for shelter. Central banks have indicated that interest rates should remain at their currently high levels for longer than expected.

*As of September 30, 2023, performance returns for the Scotia Money Market Fund are as follows: 1 month: 0.39%, 3 Mos: 1.16%, 6 Mos: 2.26%, YTD: 3.24%, 1 Yr: 3.94%, 3 Yrs: 1.43%, 5 Yrs: 1.35%, 10 Yrs: 0.83%, and since inception (10/27/1999): 1.47%. 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: 2.56%, YTD: 3.68%, 1 Yr: 4.60%, 3 Yrs: 1.75%, 5 Yrs: 1.71%, 10 Yrs: 1.09%.

Investment team



Bill Girard
Portfolio Manager
1832 Asset
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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.