

Quarterly fund performance update

As of December 31, 2024

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 Fund had a gross yield of 4.85% and a 3 month return of 1.15% at December 31, 2024. ✓ During the quarter, the U.S. money market yield curve moved down, and the inversion of the curve became less pronounced. 	<ul style="list-style-type: none"> ✓ The Fund maintained an average credit rating that was higher than the benchmark to reduce risk given the potential for economic weakness. 	<ul style="list-style-type: none"> ✓ The Fund's average term to maturity was similar to the benchmark to ensure adequate liquidity and to facilitate the reinvestment of assets at higher yields. 	<ul style="list-style-type: none"> ✓ Both sales and earnings experienced healthy growth this quarter, while credit metrics remained stable. ✓ Macro-economic issues we are monitoring include geopolitical conflict, inflation, growth trajectory, the cadence and timing of further central bank rate cuts and its terminal value, quantitative tightening, and fiscal spending.
Scotia US Dollar Bond Fund (US\$)			
<ul style="list-style-type: none"> ✓ The Fund had a net return of -3.70% for the 3 months ending December 31, 2024. 	<ul style="list-style-type: none"> ✓ The Fund's negative return was in line with the Bloomberg U.S. Aggregate Bond Index. Despite central bank easing policies, global assets delivered flat to negative returns during the quarter. ✓ The Fund has maintained a slightly longer duration than the benchmark to benefit from expected interest rate cuts. 	<ul style="list-style-type: none"> ✓ The Fund has reduced its allocation to Treasury bonds due to other fixed income sectors offering better relative value. 	<ul style="list-style-type: none"> ✓ The PM's base case for the next 6 to 12 months in the U.S. remains a soft landing, with growth expectations at or slightly above trend. ✓ They also anticipate that inflation rates will continue to moderate in 2025. Against this backdrop, the Manager expects major central banks to reduce their main monetary policy rates more than what is currently discounted by investors. ✓ They expect the macro and fundamental backdrop to remain supportive of risk assets in the coming months, though, remaining mindful of the relatively low levels of volatility and tight valuations.

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Scotia Global Equity Fund (US\$)			
<ul style="list-style-type: none"> ✓ The Fund had a net of fee return of -9.18% for the 3 months ending December 31, 2024. 	<ul style="list-style-type: none"> ✓ Discretionary and Information Technology sectors were the main detractors. Notable individual securities that underperformed included Samsung Electronics, Elevance Health, Evolution Gaming, Stora Enso. ✓ Furthermore, the Fund's underweight position in the US and the security selection in the UK negatively impacted its performance. 	<ul style="list-style-type: none"> ✓ The Fund is actively managed with a core style and will generally invest in between 28 and 40 companies in both developed and emerging markets. ✓ It invests in high quality, well managed businesses with sustainable competitive advantages, strong balance sheets and a solid track record of value creation. 	<ul style="list-style-type: none"> ✓ Global growth is expected to be stable but slower relative to recent years. Economic growth in the U.S. is expected to be higher than in most other developed economies. ✓ The European economy is expected to be supported by continued monetary easing which will support consumption and investment, but growth is expected to remain low. ✓ Markets are richly priced with high concentration and lofty valuations. Central banks' response to potential growth slowdown requires continued progress on inflation. Additionally, rising geopolitical tension and increasing polarization globally present another source of risk to markets
Scotia US Equity Fund (US\$)			
<ul style="list-style-type: none"> ✓ The Fund had a net of fee return of -6.22% for the 3 months ending December 31, 2024. ✓ The top contributing sectors were financials. ✓ The securities that contributed the most to quarterly Fund returns were Booking holdings, Interactive brokers, Visa, Alphabet and WR Berkeley. 	<ul style="list-style-type: none"> ✓ The Industrial and Information technology sectors detracted the most from returns. ✓ Notable individual securities that underperformed included Elevance Health, UnitedHealth, AO Smith, Southern Copper 	<ul style="list-style-type: none"> ✓ The Fund is actively managed with a core style and a focus on investing in companies with a history of regular dividend payments. ✓ It invests in high quality, well managed businesses with sustainable competitive advantages, strong balance sheets and consistent excess cash flow. ✓ The portfolio manager has a disciplined investment process that is based on fundamental analysis and a longer-term perspective to provide upside participation and downside protection compared to the Fund's benchmark 	<ul style="list-style-type: none"> ✓ As we head into 2025, uncertainty continues given President-elect Donald Trump's proposed policies, such as tax cuts and tariffs, may be inflationary, tempering expectations for further rate cuts. ✓ The U.S. outlook remains cautiously optimistic; despite pockets of rich valuations, the potential for higher growth and lower rates should favor cyclical sectors over defensive ones. ✓ Additionally, the president-elect's policies may result in increased growth, reduced regulation, and the introduction of more business-friendly policies.

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Scotia Canadian Equity Fund (US\$)			
<ul style="list-style-type: none"> ✓ The Fund had a net return of -0.47% for the 3 months ending December 31, 2024, outperforming its benchmark S&P/TSX Composite Index, which returned -2.70% in US\$ terms. ✓ Security selection in the Materials and Consumer Discretionary sectors helped performance. ✓ The largest contributors to quarterly returns were Shopify, Onex Corporation and Amazon.com. 	<ul style="list-style-type: none"> ✓ The largest detractors from quarterly returns were Toronto-Dominion Bank, Northland Power and BCE. ✓ An overweight allocation and security selection in the Health Care were detractors of returns. 	<ul style="list-style-type: none"> ✓ The Fund remains defensively positioned with a higher allocation to Health Care, Communication Services and Industrials and a lower allocation to Energy and Utilities than the index. ✓ The Fund focus on building a diversified portfolio of high-quality businesses to generate long-term returns, emphasizing capital preservation and risk management. ✓ The Fund was primarily invested in Canada and had approximately 14.7% of its assets invested in the U.S. and 2.4% in Taiwan, in industries with more investment opportunities than Canada. 	<ul style="list-style-type: none"> ✓ The Bank of Canada has provided considerable easing to the Canadian economy while the Canadian dollar remains very weak relative to our largest trading partner which should help support exports. ✓ Due to elevated equity valuations and potential economic uncertainties, a cautious investment approach is recommended, with a focus on value-oriented stocks. ✓ The Canadian market remains attractive due to its lower valuation, strong banking system, and significant exposure to materials and energy sectors.

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Historical fund and portfolio performance

As of December 31, 2024, 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	0.33	1.15	2.33	4.81	4.81	3.42	2.11	1.42	1.63
Benchmark 1: ICE BofA 0-3 M US Trsy Bill TR USD		0.40	1.19	2.56	5.30	5.30	3.96	2.48	1.75	
Scotia US Dollar Bond Fund Series A	12/21/1992	-2.08	-3.70	1.25	0.65	0.65	-3.80	-1.21	-0.02	3.08
Benchmark 1: Bloomberg US Agg Bond TR USD		-1.64	-3.06	1.98	1.25	1.25	-2.41	-0.33	1.35	
Scotia Global Equity Fund Series A	06/23/1994	-3.74	-9.18	-5.54	2.58	2.58	-0.83	2.93	4.45	4.40
Benchmark 1: MSCI ACWI NR USD		-2.37	-0.99	5.56	17.49	17.49	5.44	10.06	9.23	
Scotia US Equity Fund Series A	10/27/1999	-6.56	-6.22	-2.05	7.07	7.07	1.46	5.83	7.16	3.56
Benchmark 1: S&P 500 TR USD		-2.38	2.41	8.44	25.02	25.02	8.94	14.53	13.10	
Scotia Canadian Equity Fund Series A (U\$)	06/23/1994	-3.64	-0.47	8.30	10.36	10.36	4.01	7.41	2.97	5.76
Benchmark 1: S&P/TSX Composite TR USD		-5.83	-2.53	9.13	11.53	11.53	3.98	8.80	6.32	

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