

Quarterly fund performance update

As of March 31, 2023

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 gross yield for the Fund increased from 4.04% to 4.77% during the quarter < This was due to two 0.25% interest rate increases by the U.S. Federal Reserve during the quarter < Fund performance was enhanced by exposure to Secured Overnight Financing Rate notes (SOFR), which benefitted from the increase in interest rates | <ul style="list-style-type: none"> < The fund's holdings of longer-term money market instruments did not increase as much as shorter-term instruments due to the increase in interest rates | <ul style="list-style-type: none"> < Increased holdings of one-month commercial paper and longer-term AAA rated money market instruments due to their higher yield < A lower average term to maturity than the benchmark to enhance liquidity and to allow for matured holdings to be reinvested at higher rates < A higher average credit rating than the benchmark to reduce risk | <ul style="list-style-type: none"> < The U.S. Federal Reserve has indicated that there may be one additional interest rate increase in the near term and that any the future increases would be dependent on inflation levels < A high interest rate policy may be maintained for longer than forecast to ensure that inflation does not increase |
| Scotia US Dollar Bond Fund (US\$) | | | |
| <ul style="list-style-type: none"> < The Fund had a return of 1.82%, net of fees, during the quarter < The Fund's credit spread strategies, including its selection of agency mortgage-backed securities and a lower allocation to corporate bonds, contributed to performance < The Fund's interest rate strategies were generally neutral to its performance over the quarter, although there was a contribution from its duration and yield curve positioning | <ul style="list-style-type: none"> < The Fund's interest rate strategies in the Eurozone, including instrument selection, detracted from fund performance < The Fund's exposure to financial issuers was impacted by instability in that sector following the collapse of several banks | <ul style="list-style-type: none"> < A lower duration than the benchmark with a preference for the intermediate term bonds < Increased allocation to MBS with higher coupons due to their attractive valuation < A lower allocation to corporate bonds, with exposure to high quality issuers, due to the potential for wider credit spreads < Short exposure to Japanese interest rates due to the potential for higher yields resulting from an increase in inflation | <ul style="list-style-type: none"> < Recent volatility in the banking sector has raised the prospect of a significant tightening of credit conditions in the U.S. and Europe and increased the potential for a recession < Core inflation rates in the U.S. have fallen for 5 consecutive months, and headline inflation has declined for 8 consecutive months < Global central banks are likely near the end of their tightening cycle due to the combination of a higher cost of lending and early signs of easing inflation |

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| Scotia Global Equity Fund (US\$) | | | |
| <ul style="list-style-type: none"> < The Fund had a return of 3.76%, net of fees, during the quarter < The Fund's allocation to the Quality factor outperformed < The Fund's holdings that had the highest return were companies in the Technology and Communication services sectors < The Fund's foreign holdings outperformed its U.S. holdings | <ul style="list-style-type: none"> < The Fund's allocation to the Momentum and Small Cap factors detracted from returns < The Fund's holdings that had the lowest return were companies in the Energy, Healthcare and Financial Services sectors < The Fund's allocation to Emerging Markets detracted from returns during the quarter | <ul style="list-style-type: none"> < The Fund is conservatively invested in high quality, dividend paying businesses that will grow over the long-term and generate attractive risk-adjusted returns through different economic cycles < The Fund had a higher allocation than the benchmark to Consumer Staples, Industrials, Utilities, Energy, Financial Services and a lower allocation to Technology, Consumer Discretionary and Communication Services < The Fund has a regional allocation of approximately 60% US, 28% developed international, and 12% emerging markets | <ul style="list-style-type: none"> < Equity valuations have improved due to the broad decline in prices over the past year < Earnings growth continued to slow due to weaker demand, higher interest rates and an increase in costs < Many central banks have significantly raised interest rates and are at risk of over tightening < Inflation has remained persistently high primarily due to the cost of shelter |
| Scotia US Equity Fund (US\$) | | | |
| <ul style="list-style-type: none"> < The Fund had a return of 2.50%, net of fees, during the quarter < The Fund's allocation to the Quality factor outperformed < The Fund's holdings that had the highest return were companies in the Technology and Communication services sectors | <ul style="list-style-type: none"> < The Fund's allocation to the Momentum, Dividend and Low Volatility factors detracted from returns < The Fund's holdings that had the lowest return were companies in the Energy, Healthcare, Financial Services and Utilities sectors | <ul style="list-style-type: none"> < The Fund is conservatively invested in high quality, dividend paying business that will grow over the long-term and generate attractive risk-adjusted returns through different economic cycles < The Fund has a significantly higher allocation than the benchmark to Consumer Staples, Industrials and Energy sectors and a significantly lower allocation to the Technology, Communication Services and Consumer Discretionary sectors | <ul style="list-style-type: none"> < Equity valuations have improved due to the broad decline in prices over the past year < Earnings growth continued to slow due to weaker demand, higher interest rates and an increase in costs < Many central banks have significantly raised interest rates and are at risk of over tightening < Inflation has remained persistently high primarily due to the cost of shelter |

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|---|---|--|---|
| Scotia Canadian Equity Fund (US\$) | | | |
| <ul style="list-style-type: none"> < The Fund had a return of 4.41% during the quarter < The Fund's largest contributors to quarterly returns were Salesforce.com, Microsoft and Westshore Terminals < The Fund's higher allocation to the Information Technology sector and lower allocation to the Energy sector contributed the most to quarterly fund returns | <ul style="list-style-type: none"> < The Fund's largest detractors from quarterly returns were TD Bank, Northland Power and ARC Resources < The Fund's holdings of securities in the Health Care and Materials sectors detracted from returns | <ul style="list-style-type: none"> < The Fund remains defensively positioned with a higher relative allocation to Technology and Healthcare and a lower relative allocation to Energy and Financials < The Fund is conservatively invested in high quality businesses with sound business models, strong management, solid fundamentals, and a sufficient margin of safety < The Fund had 18.9% of its assets invested outside Canada due to the larger number of investment opportunities < The Fund hedged 50% of its Canadian dollar exposure to reduce foreign exchange risk | <ul style="list-style-type: none"> < Several economic indicators infer an uncertain outlook amid high interest rate and persistent inflation < Canadian equities have valuations that are meaningfully lower than U.S. and International equities < Canada has an investment environment that is supported by a stable banking and political system, with strong immigration growth |

Quarterly fund performance update

Historical fund and portfolio performance

As of March 31, 2023, 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 (USD) | 10/27/1999 | 0.32 | 0.96 | 1.65 | 0.96 | 2.01 | 0.70 | 1.04 | 0.61 | 1.41 |
| BofAML US US Treasury Bills 0-3 Mon Total Return USD | | 0.42 | 1.09 | 1.09 | 1.99 | 2.61 | 0.91 | 1.38 | 0.84 | |
| Scotia US Dollar Bond Fund (USD) | 12/21/1992 | 1.56 | 1.82 | 3.47 | 1.82 | -7.89 | -3.90 | -0.50 | -0.35 | 3.14 |
| BBG Barclays US Aggregate Bond USD | | 2.54 | 2.96 | 2.96 | 4.89 | -4.78 | -2.77 | 1.08 | 1.48 | |
| Scotia Global Equity Fund (USD) | 06/23/1994 | 2.07 | 3.76 | 15.79 | 3.76 | -7.42 | 9.54 | -0.03 | 5.31 | 4.28 |
| MSCI All Country World Net Return USD | | 3.08 | 7.31 | 7.31 | 17.78 | -7.44 | 15.36 | 6.93 | 8.06 | |
| Scotia US Equity Fund (USD) | 10/27/1999 | 1.47 | 2.50 | 13.52 | 2.50 | -7.31 | 12.04 | 4.47 | 8.00 | 3.07 |
| S&P 500 Total Return USD | | 3.67 | 7.50 | 7.50 | 15.62 | -7.73 | 18.60 | 11.19 | 12.24 | |
| Scotia Canadian Equity Fund (USD) | 06/23/1994 | 1.02 | 4.41 | 9.64 | 4.41 | -7.83 | 15.13 | 5.76 | 1.39 | 5.50 |
| S&P/TSX Composite Total Return USD | | 0.38 | 4.68 | 4.68 | 12.48 | -12.48 | 20.02 | 7.75 | 4.81 | |

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 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. 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 ScotiaFunds 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 under "Scotiabank". Scotia Funds are regulated by the Cayman Islands Monetary Authority. TM Trademark of the Bank of Nova Scotia, used under license.