

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2022

SCOTIA CARIBBEAN INCOME FUND INC.
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SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED STATEMENT OF FINANCIAL POSITION
(expressed in United States Dollars)

<u>Assets</u>	<u>June 30, 2022</u>	<u>March 31, 2022</u>
Cash and cash equivalents	\$ 197,034	\$ 471,986
Securities purchased under resale agreements	16,345,921	14,304,960
Financial assets at fair value through profit or loss	113,508,685	127,958,844
Interest receivable	46,966	75,332
Other receivables	<u>35,646</u>	<u>167,861</u>
Total assets	<u>\$ 130,134,252</u>	<u>\$ 142,978,983</u>
<u>Equity</u>		
Share Capital	\$ 1,000	\$ 1,000
<u>Liabilities</u>		
Due to related parties	\$ 543,481	\$ 581,752
Redemptions payable	255,179	-
Income distribution payable	139,438	139,438
Accrued expenses	95,384	64,249
Tax withholding liability	<u>15,901</u>	<u>25,169</u>
Total Liabilities (excluding net assets attributable to holders of investment shares)	<u>\$ 1,049,383</u>	<u>\$ 810,608</u>
Net assets attributable to holders of investment shares	<u>\$ 129,083,869</u>	<u>\$ 142,167,375</u>
Value per investment share based on number of shares		
Class A shares issued and outstanding as at June 30, 2022		
40,449,079 (March 2022: 42,151,183)	<u>\$ 3.1911</u>	<u>\$ 3.3726</u>
Class I shares issued and outstanding as at June 30, 2022		
1,492 (March 2022: 1,473)	<u>\$ 4.3703</u>	<u>\$ 4.6187</u>

Issuance approved on behalf of Scotia Caribbean Income Fund Inc.'s Board of Directors by:

Carol McKeever
Carol McKeever
Director

Lisl Lewis
Lisl Lewis
Director

Date : July 29, 2022

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

(expressed in United States dollars)

	<u>For the three month periods ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
<u>Investment income</u>		
Interest income	\$ 1,744,134	\$ 1,828,474
Other income	2,828	780
Net realized gain on financial assets through profit or loss	38,373	367,051
Net change in unrealized (loss) gain in financial assets at fair value through profit or loss	<u>(7,513,076)</u>	<u>52,233</u>
Net investment (loss) income	<u>\$ (5,727,741)</u>	<u>\$ 2,248,538</u>
<u>Expenses</u>		
Management fees	\$ (543,481)	\$ (631,351)
Trailer fees	(127,378)	(147,973)
Custodian & Administrator fees	(67,589)	(61,204)
Professional fees	(6,801)	(4,845)
Other expenses	<u>(1,845)</u>	<u>(44,685)</u>
Total operating expenses	<u>\$ (747,094)</u>	<u>\$ (890,058)</u>
Operating (loss) profit before finance costs	<u>\$ (6,474,835)</u>	<u>\$ 1,358,480</u>
Finance costs		
Dividends to holders of investment shares	<u>\$ (999,086)</u>	<u>\$ (938,773)</u>
Total finance costs	<u>\$ (999,086)</u>	<u>\$ (938,773)</u>
Net comprehensive (loss) income for the period	<u><u>\$ (7,473,921)</u></u>	<u><u>\$ 419,707</u></u>

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the three month periods ended	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Beginning Balance	\$ 142,167,375	\$ 157,397,372
Net comprehensive (loss) income for the period	(7,473,921)	419,707
Subscriptions	856,153	3,714,151
Reinvestments	852,179	745,858
Redemptions	<u>(7,317,917)</u>	<u>(3,890,200)</u>
Ending Balance	<u>\$ 129,083,869</u>	<u>\$ 158,386,888</u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED STATEMENT OF CASH FLOWS
(expressed in United States dollars)

	For the three month periods ended	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to holders of investment shares after income tax	\$ (7,473,921)	\$ 419,707
Adjustments for:		
Dividends paid to holders of investment shares	999,086	938,773
Net realized gain on financial assets at fair value through profit or loss	(38,373)	(367,051)
Net change in unrealized loss/(gain) on financial assets at fair value through profit or loss	<u>7,513,076</u>	<u>(52,233)</u>
	999,868	939,196
Interest received	1,606,284	1,790,241
Interest paid	(1,746,962)	(1,829,254)
Proceeds from sale of investments	7,017,929	4,376,400
Purchase of investments	-	(6,709,397)
Net non-interest payments for purchase and resale agreements	(1,914,390)	2,223,851
Decrease/(increase) in other receivables	132,215	(78,468)
Increase in receivable for investments sold	-	(830,386)
(Decrease)/increase in due to related parties	(38,271)	9,890
Increase in accrued expenses	31,135	471
Decrease in withholding taxes payable	(9,268)	-
Increase in balance due to brokers	-	505,000
Net cash provided by operating activities	<u>6,078,540</u>	<u>397,544</u>
Cash flows from financing activities		
Proceeds from issue of investment shares	856,153	3,714,151
Proceeds from reinvested investment shares	852,179	745,858
Payments on redemption of investment shares	(7,062,738)	(3,932,143)
Dividends paid to holders of investment shares	<u>(999,086)</u>	<u>(938,773)</u>
Net cash used in financing activities	<u>(6,353,492)</u>	<u>(410,907)</u>
Net decrease in cash and cash equivalents	(274,952)	(13,363)
Cash and cash equivalents at beginning of period	<u>471,986</u>	<u>132,023</u>
Cash and cash equivalents at end of period	<u>\$ 197,034</u>	<u>\$ 118,660</u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED JUNE 30, 2022

1. General

Scotia Caribbean Income Fund Inc. (the “Fund”) was incorporated on March 29, 2006 in Saint Lucia. The Fund was also licensed under the Saint Lucia International Mutual Fund Act as a public international mutual fund. On November 27, 2006 and on January 11, 2007; the Fund was registered under the Companies Act of Jamaica and Trinidad and Tobago, respectively. The Fund is registered under the Trinidad and Tobago Securities & Exchange Commission (SEC) as a reporting issuer. On September 7, 2009, the Fund was registered under the Companies Law of the Cayman Islands and on September 17, 2009, the Fund was registered under the Mutual Funds Law of the Cayman Islands.

Effective June 11, 2021, the Fund was re-domiciled and transitioned from a corporation under the laws of Saint Lucia to a company continued in and licensed as a mutual fund under the laws of Barbados. The transition did not affect the assets of the Fund or the value of the investments.

The registered office of the Fund is located at Chancery House, High Street, Bridgetown, Barbados.

Effective January 11, 2022, the Fund de-registered with the Cayman regulator as a registered mutual fund.

The Fund’s investment objective is to provide a regular stream of income and modest capital gains by investing primarily in US dollar denominated fixed income securities issued or guaranteed by governments or government sponsored agencies of a country in the Caribbean region, as well as money market and longer term fixed income securities issued by non-government issuers in accordance with the Investment Policy below. The Fund may also invest in other income generating securities, which may include dividend paying shares.

The investment activities of the Fund are managed by Scotia Asset Management (Barbados) Inc. (the “Fund Manager”). The custodian activities are performed by State Street Bank and Trust Company Ltd (the “Custodian”), which is an independent entity and is not a related party to the Fund Administrator or the Fund Manager. The Fund administrator is Scotia Asset Management (Barbados) Inc. (the “Fund Administrator”), a company incorporated in Barbados. The Fund Administrator has appointed State Street Cayman Trust Company Ltd., a trust company duly organised under the laws of the Cayman Islands as Fund Sub-Administrator. The Fund has no employees.

2. Significant accounting policies

These statements are prepared using the International Accounting Standards. Security transactions are accounted for on a trade date basis. Realized gains and losses on the sales of portfolio securities are calculated on an average cost basis. Interest is recorded on an accrual basis and dividend income is recognized on the ex-dividend date.