

SCOTIA PREMIUM US DOLLAR INDEXED FUND

UNAUDITED FINANCIAL STATEMENTS

**PERIOD ENDED
October 31, 2023**


SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Three months ended		Year ended	
	October 31, 2023	October 31, 2022	October 31, 2023	October 31, 2022
Revenue				
Interest				
Financial assets at fair value through profit or loss	83,269	33,232	156,636	118,430
Financial assets at amortised cost	16,974	14,914	55,420	51,451
Foreign exchange gain	8,433	1,213	44,507	11,021
Net gain (loss) on financial assets at fair value through profit or loss	677	(202)	(1,652)	(202)
Revaluation (loss) gain on financial assets at fair value through profit or loss	(54,499)	(86,565)	6,725	(355,371)
Total revenue (loss)	54,854	(37,408)	261,636	(174,671)
Expenses				
Management fees	11,380	12,254	49,697	55,511
Other	6,244	6,322	22,011	19,591
Total operating expenses	17,624	18,576	71,708	75,102
Profit (loss) for the period, being increase (decrease) in net assets attributable to holders of redeemable units	37,230	(55,984)	189,928	(249,773)

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF FINANCIAL POSITION
(expressed in Jamaican Dollars)

Unaudited (\$000's)	October 31, 2023	October 31, 2022
ASSETS		
Cash	228,263	131,602
Financial assets at fair value through profit or loss	3,132,237	3,020,751
Financial assets at amortised cost	286,225	481,437
Accounts receivable	2,181	6,760
Due from Fund Manager	94	100
Total assets	3,649,000	3,640,650
LIABILITY		
Other payables, being total liability	54,920	7,384
Net assets attributable to holders of redeemable units	3,594,080	3,633,266
Represented by:		
Net assets attributable to holders of redeemable units	3,594,080	3,633,266

Issuance approved and signed on December 7, 2023 on behalf of the Board of Scotia Investments Jamaica Limited by:


Audrey Tugwell Henry
Director


Audrey Richards
Director

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Year ended	
	October 31, 2023	October 31, 2022
Balance at beginning of the period	3,633,266	3,709,611
Profit (loss) for the period, being increase (decrease) in net assets attributable to holders of redeemable units	189,928	(249,773)
	<u>3,823,194</u>	<u>3,459,838</u>
Contributions and redemptions by holders of redeemable units:		
Issue of redeemable units during the period	100,846	547,701
Reinvestments	63,231	43,721
Redemption of units during the period	(316,038)	(363,937)
Distributions	<u>(77,153)</u>	<u>(54,057)</u>
Contributions and redemptions by holders of redeemable units, net	<u>(229,114)</u>	<u>173,428</u>
Balance at end of the period	<u><u>3,594,080</u></u>	<u><u>3,633,266</u></u>

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF CASH FLOWS
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Year ended	
	October 31, 2023	October 31, 2022
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	189,928	(249,773)
Adjustments for:		
Revaluation (gain) loss on financial assets at fair value through profit or loss	(6,725)	355,371
Interest income	(212,056)	(169,881)
	<u>(28,853)</u>	<u>(64,283)</u>
Changes in operating assets and liabilities		
Financial assets at fair value through profit and loss	(100,928)	(413,971)
Financial assets at amortised cost	193,869	166,371
Accounts receivable	4,579	(6,760)
Due from Fund Manager	6	(100)
Other payables	47,536	(917)
Proceeds from new units available for investments	100,846	547,701
Payments for units encashed	(316,038)	(363,937)
Proceeds from income reinvested	63,231	43,721
Income distribution	(77,153)	(54,057)
	<u>(112,905)</u>	<u>(146,232)</u>
Interest received	209,566	166,134
Net cash provided by operating activities, being net increase in cash	96,661	19,902
Cash at beginning of the period	131,602	111,700
Cash at end of the period	<u>228,263</u>	<u>131,602</u>

SCOTIA PREMIUM US DOLLAR INDEXED FUND
Notes to the Financial Statements
October 31, 2023

1. The Scotia Premium US Dollar Indexed Fund

The Scotia Premium US Dollar Indexed Fund ("the Fund") is registered in Jamaica as a unit trust scheme under the Unit Trusts Act. Effective December 1, 2016, there was a consolidation of the asset management activities within Scotia Investments Jamaica Limited (SIJL). Fund management services previously conducted by Scotia Asset Management (Jamaica) Limited (SAMJ), were transferred to its parent company, Scotia Investments Jamaica Limited, ("Fund Manager"). The Trustee is JCSD Trustee Services Limited. Both the Fund Manager and the Trustee are incorporated and domiciled in Jamaica. The registered offices at 3rd Floor, Scotiabank Centre Building, Corner Duke & Port Royal Streets, Kingston, Jamaica, W.I.

Scotia Investments Jamaica Limited ("Fund Manager") is a wholly-owned subsidiary of Scotia Group Jamaica Limited ("Scotia Group").

The Fund is a United States Dollar indexed fixed income portfolio denominated in Jamaican Dollars. The investment objective of this portfolio is to maximize total Jamaican Dollar return to unit holders by primarily investing in a diversified mix of United States Dollar denominated fixed income instruments. The Fund commenced operations on January 15, 2016.

The income of the Fund is exempt from income tax, under section 13(t) of the Income Tax Act.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with the provisions of the Trust Deed.

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss which are stated at fair value.

New and revised standards that became effective this year did not have any material impact on the financial statements and the accounting policies are consistent with those applied in the audited financial statements for the year ended October 31, 2022.

These financial statements are presented in Jamaican dollars, which is the Fund's functional currency.

3. Financial assets – classification and measurement

The Fund has classified financial assets and liabilities into the following categories:

Financial assets at fair value through profit or loss:

Designated as at fair value through profit or loss – bonds and other notes.

Loans and receivables:

Financial assets at amortised cost – cash, accounts receivable, due from Fund Manager and resale agreements.

Financial liabilities measured at cost:

Other liabilities - due to Fund Manager and other payables.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the amount recognized and the maturity amount, minus any reduction for impairment.

SCOTIA PREMIUM US DOLLAR INDEXED FUND
Notes to the Financial Statements (continued)
October 31, 2023

3. Financial assets – classification and measurement (continued)

Fair value measurement

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act.

When available, the Fund measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if the quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Fund establishes fair value using pricing models or discounted cash flow techniques or a generally accepted alternative method. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date and incorporate all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

The fair values of cash, accounts receivable, due to Scotia Investments Jamaica Limited and accounts payable are assumed to approximate to their carrying values, due to their short-term nature. The fair value of resale agreements is assumed to approximate their carrying value as they are subject to repricing in the short-term at market rate. The fair value of Government of Jamaica securities is determined using an alternative pricing method.

All changes in fair value, other than interest and dividend income, are recognised in profit or loss.

4. Redeemable Units

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units issued by the Fund provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at the redemption date and also in the event of the Fund's liquidation. The redeemable units are classified as financial liabilities and are measured at the present value of the redemption amounts. The number of units in issue at October 31, 2023 was 28,415,996 (October 31, 2022: 29,631,173).

5. Unit price/yield

(a) The yield of the Fund for the period ended October 31, 2023 was 4.77% (October 31, 2022: 4.64%).

The calculation of yield is based on the annualised movement in unit price over the period.

(b) The price per unit as at October 31, 2023 was:

Buying/selling - \$124.62 (October 31, 2022: \$122.53)

The price per unit is arrived at by dividing the value of the net deposited property, less sales and fiscal charges, by the number of units in issue.

6. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include notes and coins on hand, amounts due from other banks, and highly liquid financial assets with original maturities of less than three months, which are readily convertible to known amounts of cash, and are subject to insignificant risk of changes in their fair value.