

SCOTIA PREMIUM GROWTH FUND

UNAUDITED FINANCIAL STATEMENTS

**THREE MONTHS ENDED
October 31, 2021**

SCOTIA PREMIUM GROWTH FUND
STATEMENT OF COMPREHENSIVE (LOSS) INCOME
(expressed in Jamaican Dollars)

	Three months ended October 31	Three months ended July 31	Three months ended October 31
Unaudited (\$000's)	2021	2021	2020
Revenue			
Interest			
Financial assets at fair value through profit or loss	370	693	1,030
Financial assets at amortised cost	4,484	3,532	2,518
Dividend income	25,131	22,298	12,707
Foreign exchange gain	356	559	1,113
Gain on sale of financial assets at fair value through profit loss	11,971	22,917	9,857
Revaluation (loss) gain on financial assets at fair value through profit or loss	(145,535)	224,453	(105,154)
Total revenue	(103,223)	274,452	(77,929)
Expenses			
Management fees	19,426	19,541	16,179
Other	3,640	3,626	5,154
Total operating expenses	23,066	23,167	21,333
(Loss) profit for the period, being (decrease) increase in net assets attributable to holders of redeemable units	(126,289)	251,285	(99,262)

SCOTIA PREMIUM GROWTH FUND
STATEMENT OF FINANCIAL POSITION
(expressed in Jamaican Dollars)

	As of October 31	As of July 31	As of October 31
Unaudited (\$000's)	2021	2021	2020
ASSETS			
Cash	204,125	210,665	63,062
Financial assets at fair value through profit and loss	4,673,916	4,759,700	3,848,400
Financial assets at amortised cost	264,874	200,202	304,510
Receivable for investments sold	-	19,623	-
Accounts receivable	2,779	2,775	1,958
Due from Fund Manager	-	1,230	12,022
Total assets	5,145,694	5,194,195	4,229,952
LIABILITY			
Other payables, being total liability	9,879	9,726	17,147
Net assets attributable to holders of redeemable units	5,135,815	5,184,469	4,212,805
Represented by:			
Net assets attributable to holders of redeemable units	5,135,815	5,184,469	4,212,805

Issuance approved and signed on December 8, 2021 on behalf of the Board of Scotia Investments Jamaica Limited by:

Adrian Stokes

Adrian Stokes
 Director

Audrey Tugwell Henry

Audrey Tugwell Henry
 Director

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

	Three months ended October 31	Three months ended July 31	Three months ended October 31
Unaudited (\$000's)	2021	2021	2020
Balance at beginning of the period	5,184,469	4,897,915	4,264,101
(Loss) profit for the period, being (decrease) increase in net assets attributable to holders of redeemable units	(126,289)	251,285	(99,262)
	<u>5,058,180</u>	<u>5,149,200</u>	<u>4,164,839</u>
Contributions and redemptions by holders of redeemable units:			
Issue of redeemable units during the period	127,255	100,199	93,932
Redemption of redeemable units during the period	(49,620)	(64,930)	(45,966)
Total contributions and redemptions by holders of redeemable units, net	<u>77,635</u>	<u>35,269</u>	<u>47,966</u>
Balance at end of the period	<u>5,135,815</u>	<u>5,184,469</u>	<u>4,212,805</u>

SCOTIA PREMIUM GROWTH FUND
STATEMENT OF CASH FLOWS
(expressed in Jamaican Dollars)

Unaudited (\$'000's)	Three months ended October 31 2021	Three months ended July 31 2021	Three months ended October 31 2020
Cash flows from operating activities			
(Decrease) Increase in net assets attributable to holders of redeemable units	(126,289)	251,285	(99,262)
Adjustments for:			
Revaluation loss (gain) on financial assets at fair value through profit or loss	145,535	(224,453)	105,154
Dividend income	(25,131)	(22,298)	(12,707)
Interest income	(4,854)	(4,225)	(3,548)
	(10,739)	309	(10,363)
Changes in operating assets and liabilities			
Due from Fund Manager	1,230	(846)	(11,825)
Receivable for investments sold	19,623	(19,623)	-
Other payables	153	1,709	9,769
Financial assets at amortised cost	(64,436)	(11,274)	(12,827)
Financial assets at fair value through profit or loss	(59,166)	(5,710)	(24,518)
Proceeds from new units available for investments	127,255	100,199	93,932
Payments for units encashed	(49,620)	(64,930)	(45,966)
	(35,700)	(166)	(1,798)
Dividend received	25,127	25,703	12,744
Interest received	4,033	3,924	2,588
Net cash (used in) provided by operating activities, being net (decrease) increase in cash	(6,540)	29,461	13,534
Cash at beginning of the period	210,665	181,204	49,528
Cash at end of the period	204,125	210,665	63,062

SCOTIA PREMIUM GROWTH FUND
Notes to the Financial Statements
October 31, 2021

1. The Scotia Premium Growth Fund

The Scotia Premium Growth Fund ("Fund") is registered in Jamaica as a unit trust scheme under the Unit Trusts Act. Effective December 1, 2016, there was a consolidation of asset management activities within Scotia Investments Jamaica Limited. Fund management services previously conducted by Scotia Asset Management (Jamaica) Limited (SAMJ), were transferred to its parent, Scotia Investments Jamaica Limited (SIJL). The Trustee of the Fund is JCSD Trustee Services Limited. Both companies are incorporated and domiciled in Jamaica. The registered office of the Fund is located at 7 Holborn Road, Kingston 10.

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

The Fund is an open-ended investment fund primarily involved in investing in a highly diversified investment portfolio.

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, 2021.

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

3. Financial assets – classification and measurement

Classification:

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 – certain bonds and quoted equities.

Loans and receivables:

Financial assets at amortised cost – cash, accounts receivable, due from Scotia Investments (Jamaica) Limited, resale agreements and corporate bond.

Financial liabilities measured at cost:

Other liabilities measurement at amortised cost - due to Scotia Investments (Jamaica) Limited and other payables.

SCOTIA PREMIUM GROWTH FUND
Notes to the Financial Statements (continued)
October 31, 2021

3. Financial assets – classification and measurement (continued)

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.

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 quoted equities is assumed to be equal to their quoted market values based on bid price at the reporting date. 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 recognized in profit or loss as net gain from financial instruments designated at fair value through profit or loss and arise as a result of changes in the price at initial recognition and maturity date.

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, 2021 was 35,266,963 (July 31, 2021: 34,832,694).

5. Unit price/yield

(a) The yield of the Fund for the period ended October 31, 2021 was 0.57% (July 31, 2021: 0.53%).

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, 2021 was:

Buying	-	\$133.74 (July 31, 2021: \$137.17)
Selling	-	\$139.09 (July 31, 2021: \$142.66)

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.

SCOTIA PREMIUM GROWTH FUND
Notes to the Financial Statements (continued)
October 31, 2021

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.