

SCOTIA PREMIUM US DOLLAR INDEXED FUND

UNAUDITED FINANCIAL STATEMENTS

**THREE MONTHS ENDED
October 31, 2021**

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF COMPREHENSIVE INCOME
 (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
Revenue			
Interest			
Financial assets at fair value through profit or loss	25,001	28,709	28,344
Financial assets at amortised cost	9,116	7,956	4,652
Foreign exchange gain	51,130	5,334	15,167
Net gain on financial assets at fair value through profit or loss	3,516	-	3,605
Revaluation (loss) gain on financial assets at fair value through profit or loss	(59,859)	79	(14,843)
Total revenue	28,904	42,078	36,925
Expenses			
Management fees	13,687	12,478	8,650
Other	4,379	4,329	5,462
Total operating expenses	18,066	16,807	14,112
Profit for the period, being increase in net assets attributable to holders of redeemable units	10,838	25,271	22,813

SCOTIA PREMIUM US DOLLAR INDEXED 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	111,700	63,212	121,426
Financial assets at fair value through profit or loss	2,964,951	2,861,210	2,244,760
Financial assets at amortised cost	641,261	673,014	479,307
Due from Fund Manager	-	3,462	3,286
Total assets	3,717,912	3,600,898	2,848,779
LIABILITY			
Other payables, being total liability	8,301	26,391	7,462
Net assets attributable to holders of redeemable units	3,709,611	3,574,507	2,841,317
Represented by:			
Net assets attributable to holders of redeemable units	3,709,611	3,574,507	2,841,317

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 US DOLLAR INDEXED 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	3,574,507	3,234,263	2,801,294
Profit for the period, being increase in net assets attributable to holders of redeemable units	10,838	25,271	22,813
	<u>3,585,345</u>	<u>3,259,534</u>	<u>2,824,107</u>
Contributions and redemptions by holders of redeemable units:			
Issue of redeemable units during the period	150,034	341,215	53,871
Reinvestments	12,616	12,173	12,559
Redemption of units during the period	(22,940)	(23,573)	(34,111)
Distributions	(15,444)	(14,842)	(15,109)
Contributions and redemptions by holders of redeemable units, net	<u>124,266</u>	<u>314,973</u>	<u>17,210</u>
Balance at end of the period	<u><u>3,709,611</u></u>	<u><u>3,574,507</u></u>	<u><u>2,841,317</u></u>

SCOTIA PREMIUM US DOLLAR INDEXED 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			
Increase in net assets attributable to holders of redeemable units	10,838	25,271	22,813
Adjustments for:			
Revaluation loss (gain) on financial assets at fair value through profit or loss	59,859	(79)	14,843
Interest income	(34,117)	(36,665)	(32,996)
	36,580	(11,473)	4,660
Changes in operating assets and liabilities			
Financial assets at fair value through profit and loss	(139,815)	(334,786)	20,096
Financial assets at amortised cost	34,403	(21,878)	(152,075)
Due from Fund Manager	3,462	(1,512)	(3,286)
Other payables	(18,091)	20,495	1,601
Proceeds from new units available for investments	150,034	341,215	53,871
Payments for units encashed	(22,940)	(23,573)	(34,111)
Proceeds from income reinvested	12,616	12,173	12,559
Income distribution	(15,444)	(14,842)	(15,109)
	40,805	(34,181)	(111,794)
Interest received	7,683	44,922	26,853
Net cash provided by (used in) operating activities, being net increase (decrease) in cash	48,488	10,741	(84,941)
Cash at beginning of the period	63,212	52,471	206,367
Cash at end of the period	111,700	63,212	121,426

SCOTIA PREMIUM US DOLLAR INDEXED FUND
Notes to the Financial Statements
October 31, 2021

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 office of the Fund is located at 7 Holborn Road, Kingston 10.

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.

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, 2021

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, 2021 was 27,921,444 (July 31, 2021: 26,845,654).

5. Unit price/yield

(a) The yield of the Fund for the three months ended October 31, 2021 was 3.02% (July 31, 2021: 3.14%).

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/selling - \$132.98 (July 31, 2021: \$133.15)

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.