

**SCOTIA CARIBBEAN INCOME FUND INC.**

**UNAUDITED FINANCIAL STATEMENTS**

**PERIOD ENDED JUNE 30, 2023**

**SCOTIA CARIBBEAN INCOME FUND INC.**  
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**PERIOD ENDED JUNE 30, 2023**

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

<b><u>Assets</u></b>	<b><u>June 30, 2023</u></b>	<b><u>March 31, 2023</u></b>
Cash and cash equivalents	\$ 668,867	\$ 627,139
Securities purchased under resale agreements	12,959,744	13,937,862
Financial assets at fair value through profit or loss	103,520,523	103,358,434
Other receivables	73,816	-
Interest receivable	5,140	-
<b>Total assets</b>	<b>\$ 117,228,090</b>	<b>\$ 117,923,435</b>
<b><u>Equity</u></b>		
Share Capital	\$ 1,000	\$ 1,000
<b><u>Liabilities</u></b>		
Due to related parties	\$ 467,253	\$ 468,359
Other payables	101,833	110,959
Tax withholding liability	17,463	4,102
Redemptions payable	-	91,857
<b>Total Liabilities (excluding net assets attributable to holders of investment shares)</b>	<b>\$ 586,549</b>	<b>\$ 675,277</b>
<b>Net assets attributable to holders of investment shares</b>	<b>\$ 116,640,541</b>	<b>\$ 117,247,158</b>
Value per investment share based on number of shares		
Class A shares issued and outstanding as at June 30, 2023 35,507,035 (March 2023: 36,026,692)	\$ 3.2848	\$ 3.2543
Class I shares issued and outstanding as at June 30, 2023 1,569 (March 2023: 1,552)	\$ 4.5041	\$ 4.4586

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 28, 2023

**SCOTIA CARIBBEAN INCOME FUND INC.**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

**(expressed in United States dollars)**

	<b>For the three month periods ended</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b><u>Investment income</u></b>		
Interest income	\$ 1,814,477	\$ 1,744,134
Other income	104	2,828
Net realized (loss) gain on financial assets at fair value through profit or loss and foreign currencies	(1,022)	38,373
Net change in unrealized gain (loss) in financial assets at fair value through profit or loss and foreign currencies	658,133	(7,513,076)
<b>Net investment income (loss)</b>	<b>\$ 2,471,692</b>	<b>\$ (5,727,741)</b>
<b><u>Expenses</u></b>		
Management fees	\$ (467,253)	\$ (543,481)
Trailer fees	(109,213)	(127,378)
Custodian & Administrator fees	(57,428)	(67,589)
Professional fees	(7,826)	(6,801)
Other expenses	(46,808)	(1,845)
<b>Total operating expenses</b>	<b>\$ (688,528)</b>	<b>\$ (747,094)</b>
<b>Operating gain (loss) before finance costs</b>	<b>\$ 1,783,164</b>	<b>\$ (6,474,835)</b>
<b>Finance costs</b>		
Dividends to holders of investment shares	\$ (686,310)	\$ (999,086)
<b>Total finance costs</b>	<b>\$ (686,310)</b>	<b>\$ (999,086)</b>
<b>Net comprehensive income (loss) for the period</b>	<b>\$ 1,096,854</b>	<b>\$ (7,473,921)</b>

**SCOTIA CARIBBEAN INCOME FUND INC.**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**(expressed in United States dollars)**

	<b>For the three month periods ended</b>	
	<b><u>June 30, 2023</u></b>	<b><u>June 30, 2022</u></b>
Beginning Balance	\$ 117,247,158	\$ 142,167,375
Net comprehensive income (loss) for the period	1,096,854	(7,473,921)
Subscriptions	1,137,614	856,153
Reinvestments	582,029	852,179
Redemptions	<u>(3,423,114)</u>	<u>(7,317,917)</u>
<b>Ending Balance</b>	<b><u>\$ 116,640,541</u></b>	<b><u>\$ 129,083,869</u></b>

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

	<b>For the three month periods ended</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Cash flows from operating activities</b>		
Increase/(decrease) in net assets attributable to holders of investment shares after income tax	\$ 1,096,854	\$ (7,473,921)
<b>Adjustments for:</b>		
Dividends paid to holders of investment shares	686,310	999,086
Net realized loss/(gain) on financial assets at fair value through profit or loss and foreign currencies	1,022	(38,373)
Net change in unrealized (gain)/loss on financial assets at fair value through profit or loss	(658,138)	7,513,076
	<u>1,126,048</u>	<u>999,868</u>
Interest received	312,166	1,606,284
Interest paid	-	(1,746,962)
Proceeds from sale of investments	3,655,221	7,017,929
Purchase of investments	(3,477,500)	-
Net non-interest payments for purchase and resale agreements	978,118	(1,914,390)
(Increase)/decrease in other receivables	(73,816)	132,215
Decrease in due to related parties	(1,106)	(38,271)
(Decrease)/increase in other payables	(9,126)	31,135
Increase/(decrease) in tax withholding liability	13,361	(9,268)
<b>Net cash provided by operating activities</b>	<u>2,523,366</u>	<u>6,078,540</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of investment shares	1,137,614	856,153
Proceeds from reinvested investment shares	582,029	852,179
Payments on redemption of investment shares	(3,514,971)	(7,062,738)
Dividends paid to holders of investment shares	(686,310)	(999,086)
<b>Net cash used in by financing activities</b>	<u>(2,481,638)</u>	<u>(6,353,492)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	41,728	(274,952)
Cash and cash equivalents at beginning of period	<u>627,139</u>	<u>471,986</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 668,867</u>	<u>\$ 197,034</u>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED NOTES TO FINANCIAL STATEMENTS**  
**PERIOD ENDED JUNE 30, 2023**

**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 1st Floor CGI Tower, Warrens, St. Michael, 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 Administrator"), a company incorporated in Barbados. 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 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.