

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED MARCH 31, 2023

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>March 31, 2023</u>	<u>March 31, 2022</u>
Cash and cash equivalents	\$ 627,139	\$ 471,986
Securities purchased under resale agreements	17,489,389	14,304,960
Financial assets at fair value through profit or loss	99,806,907	127,958,844
Other receivables	-	167,861
Interest receivable	-	75,332
Total assets	\$ 117,923,435	\$ 142,978,983
<u>Equity</u>		
Share Capital	\$ 1,000	\$ 1,000
<u>Liabilities</u>		
Due to related parties	\$ 468,359	\$ 581,752
Other payables	110,959	64,249
Redemptions payable	91,857	-
Tax withholding liability	4,102	25,169
Income distribution payable	-	139,438
Total Liabilities (excluding net assets attributable to holders of investment shares)	\$ 675,277	\$ 810,608
Net assets attributable to holders of investment shares	\$ 117,247,158	\$ 142,167,375
Value per investment share based on number of shares		
Class A shares issued and outstanding as at March 31, 2023 36,026,692 (March 2022: 42,151,183)	<u>\$ 3.2543</u>	<u>\$ 3.3726</u>
Class I shares issued and outstanding as at March 31, 2023 1,552 (March 2022: 1,473)	<u>\$ 4.4586</u>	<u>\$ 4.6187</u>

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



 Carol McKeever
 Director



 Lisl Lewis
 Director

Date : April 26, 2023

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	For the three month periods ended		Year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<u>Investment income</u>				
Interest income	\$ 1,405,098	\$ 1,859,089	\$ 6,449,647	\$ 7,389,484
Other income	(35,312)	-	66,701	17,916
Net realized (loss) gain on financial assets through profit or loss	(18,975)	64,729	(86,371)	441,590
Net change in unrealized gain (loss) in financial assets at fair value through profit or loss and foreign currencies	1,098,050	(8,000,880)	(4,791,537)	(12,611,688)
Net investment income (loss)	\$ 2,448,861	\$ (6,077,062)	\$ 1,638,440	\$ (4,762,698)
<u>Expenses</u>				
Management fees	\$ (468,359)	\$ (581,751)	\$ (1,990,246)	\$ (2,491,128)
Trailer fees	(109,772)	(136,349)	(466,464)	(583,859)
Custodian & Administrator fees	(69,595)	(59,224)	(262,032)	(244,226)
Professional fees	(24,804)	(4,792)	(45,499)	(19,433)
Other expenses	(15,953)	(43,363)	(87,543)	(264,369)
Total operating expenses	\$ (688,483)	\$ (825,479)	\$ (2,851,784)	\$ (3,603,015)
Operating gain (loss) before finance costs	\$ 1,760,378	\$ (6,902,541)	\$ (1,213,344)	\$ (8,365,713)
Finance costs				
Dividends to holders of investment shares	\$ (990,750)	\$ (1,033,562)	\$ (3,963,826)	\$ (3,793,214)
Total finance costs	\$ (990,750)	\$ (1,033,562)	\$ (3,963,826)	\$ (3,793,214)
Net comprehensive income (loss) for the period	\$ 769,628	\$ (7,936,103)	\$ (5,177,170)	\$ (12,158,927)

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Beginning Balance	\$ 142,167,375	\$ 157,397,372
Net comprehensive loss for the period	(5,177,170)	(12,158,927)
Subscriptions	3,176,819	13,180,003
Reinvestments	3,361,833	3,174,752
Redemptions	<u>(26,281,699)</u>	<u>(19,425,825)</u>
Ending Balance	<u>\$ 117,247,158</u>	<u>\$ 142,167,375</u>

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

	Year ended	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Cash flows from operating activities		
Decrease in net assets attributable to holders of investment shares after income tax	\$ (5,177,170)	\$ (12,158,927)
Adjustments for:		
Dividends paid to holders of investment shares	3,963,826	3,793,214
Net realized loss/(gain) on financial assets at fair value through profit or loss	86,371	(441,590)
Net change in unrealized loss on financial assets at fair value through profit or loss	<u>4,791,542</u>	<u>12,611,688</u>
	3,664,569	3,804,385
Interest received	1,428,180	1,083,213
Proceeds from sale of investments	26,818,659	30,713,903
Purchase of investments	(4,897,483)	(33,920,911)
Net non-interest payments for purchase and resale agreements	(3,184,429)	5,568,199
Decrease/(increase) in other receivables	167,861	(110,164)
Decrease in due to related parties	(113,393)	(39,709)
Increase/(decrease) in other payables	46,710	(8,833)
(Decrease)/increase in withholding taxes payable	(21,067)	25,169
(Decrease)/increase in income distribution payable	<u>(139,438)</u>	<u>139,438</u>
Net cash provided by operating activities	<u>23,770,169</u>	<u>7,254,690</u>
Cash flows from financing activities		
Proceeds from issue of investment shares	3,176,819	13,180,003
Proceeds from reinvested investment shares	3,361,833	3,174,752
Payments on redemption of investment shares	(26,189,842)	(19,476,268)
Dividends paid to holders of investment shares	<u>(3,963,826)</u>	<u>(3,793,214)</u>
Net cash used in by financing activities	<u>(23,615,016)</u>	<u>(6,914,727)</u>
Net increase in cash and cash equivalents	155,153	339,963
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>\$ 627,139</u>	<u>\$ 471,986</u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 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 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.