

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED MARCH 31, 2024

SCOTIA CARIBBEAN INCOME FUND INC.
INDEX TO UNAUDITED FINANCIAL STATEMENTS
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CONTENTS


	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED STATEMENT OF CASH FLOWS	4
UNAUDITED NOTES TO FINANCIAL STATEMENTS	5

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

<u>Assets</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Cash and cash equivalents	\$ 4,563,543	\$ 627,139
Securities purchased under resale agreements	12,383,714	13,937,862
Financial assets at fair value through profit or loss	100,445,814	103,358,434
Other receivables	<u>98,820</u>	<u>-</u>
Total assets	<u>\$ 117,491,891</u>	<u>\$ 117,923,435</u>
<u>Equity</u>		
Share Capital	\$ 1,000	\$ 1,000
<u>Liabilities</u>		
Due to related parties	\$ 904,578	\$ 468,359
Balance due to brokers	394,013	-
Other payables	151,043	110,959
Tax withholding liability	17,406	4,102
Redemptions payable	<u>-</u>	<u>91,857</u>
Total Liabilities (excluding net assets attributable to holders of investment shares)	<u>\$ 1,467,040</u>	<u>\$ 675,277</u>
Net assets attributable to holders of investment shares	<u>\$ 116,023,851</u>	<u>\$ 117,247,158</u>
Value per investment share based on number of shares		
Class A shares issued and outstanding as at March 31, 2024		
34,512,542 (March 2023: 36,026,692)	<u>\$ 3.3616</u>	<u>\$ 3.2543</u>
Class I shares issued and outstanding as at March 31, 2024		
1,627 (March 2023: 1,552)	<u>\$ 4.6082</u>	<u>\$ 4.4586</u>

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


 Carol McKeever
 Director


 Lisl Lewis
 Director

Date : April 25, 2024

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

<u>Investment income</u>	<u>For the three month periods ended</u>		<u>Year ended</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Interest income	\$ 1,369,753	\$ 1,405,098	\$ 6,080,766	\$ 6,449,647
Other income	379	(35,312)	725	66,701
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	22,377	(18,975)	(48,791)	(86,371)
Net change in unrealized gain/(loss) on financial assets at fair value through profit or loss and foreign currencies	(40,984)	1,098,050	3,556,190	(4,791,537)
Net investment income	\$ 1,351,525	\$ 2,448,861	\$ 9,588,890	\$ 1,638,440
 <u>Expenses</u>				
Management fees	\$ (454,839)	\$ (468,359)	\$ (1,840,006)	\$ (1,990,246)
Trailer fees	(107,486)	(109,772)	(431,247)	(466,464)
Custodian & Administrator fees	(50,758)	(69,595)	(214,742)	(262,032)
Professional fees	(22,156)	(24,804)	(68,296)	(45,499)
Other expenses	(29,632)	(15,953)	(123,266)	(87,543)
Total operating expenses	\$ (664,871)	\$ (688,483)	\$ (2,677,557)	\$ (2,851,784)
Operating gain/(loss) before finance costs	\$ 686,654	\$ 1,760,378	\$ 6,911,333	\$ (1,213,344)
Finance costs				
Dividends to holders of investment shares	\$ (698,642)	\$ (990,750)	\$ (3,219,798)	\$ (3,963,826)
Total finance costs	\$ (698,642)	\$ (990,750)	\$ (3,219,798)	\$ (3,963,826)
Net comprehensive income/(loss) for the period	\$ (11,988)	\$ 769,628	\$ 3,691,535	\$ (5,177,170)

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Beginning Balance	\$ 117,247,158	\$ 142,167,375
Net comprehensive income/(loss) for the period	3,691,535	(5,177,170)
Subscriptions	7,462,284	3,176,819
Reinvestments	2,601,809	3,361,833
Redemptions	<u>(14,978,935)</u>	<u>(26,281,699)</u>
Ending Balance	\$ <u>116,023,851</u>	\$ <u>117,247,158</u>

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

	Year ended	
	March 31, 2024	March 31, 2023
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to holders of investment shares after income tax	\$ 3,691,535	\$ (5,177,170)
Adjustments for:		
Dividends paid to holders of investment shares	3,219,798	3,963,826
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	48,791	86,371
Net change in unrealized (gain)/loss on financial assets at fair value through profit or loss	(3,556,190)	4,791,537
Net change in unrealized gain on foreign currencies	(32)	5
	<u>3,403,902</u>	<u>3,664,569</u>
Interest received	1,136,647	1,428,180
Proceeds from sale of investments	22,037,352	26,767,132
Purchase of investments	(16,359,935)	(8,397,483)
Net non-interest payments for purchase and resale agreements	1,554,148	367,098
(Increase)/decrease in other receivables	(98,820)	167,861
Increase/(decrease) in due to related parties	436,219	(113,393)
Increase in other payables	40,084	46,710
Increase/(decrease) in tax withholding liability	13,304	(21,067)
Increase/(decrease) in income distribution payable	-	(139,438)
Net cash provided by operating activities	<u>12,162,901</u>	<u>23,770,169</u>
Cash flows from financing activities		
Proceeds from issue of investment shares	7,462,284	3,176,819
Proceeds from reinvested investment shares	2,601,809	3,361,833
Payments on redemption of investment shares	(15,070,792)	(26,189,842)
Dividends paid to holders of investment shares	(3,219,798)	(3,963,826)
Net cash used in by financing activities	<u>(8,226,497)</u>	<u>(23,615,016)</u>
Net increase in cash and cash equivalents	3,936,404	155,153
Cash and cash equivalents at beginning of period	627,139	471,986
Cash and cash equivalents at end of period	<u>\$ 4,563,543</u>	<u>\$ 627,139</u>
Cash and cash equivalents includes:		
Cash	\$ 1,210,575	\$ 627,139
Securities purchased with maturity of 90 days or less	997,517	-
Securities purchased under resale agreements with maturity of 90 days or less	2,355,451	-
Total cash and cash equivalents	<u>\$ 4,563,543</u>	<u>\$ 627,139</u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED MARCH 31, 2024

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.