SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

FINANCIAL STATEMENTS

OCTOBER 31, 2024

KPMG
Chartered Accountants
P.O. Box 436
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Unit Holders of
SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Opinion

We have audited the financial statements of Scotia Premium Short Term Income Fund - USD ("the Fund"), set out on pages 4 to 30, which comprise the statement of financial position as at October 31, 2024, the statements of profit or loss and other comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at October 31, 2024, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Unit Holders of
SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Unit Holders of
SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Chartered Accountants
Kingston, Jamaica

February 12, 2025

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Statement of Profit or Loss and Other Comprehensive Income
Year ended October 31, 2024
(expressed in United States dollars unless otherwise stated)

	Notes	2024	2023
Revenue			
Interest income calculated using the effective interest method:			
Financial assets at fair value through profit or loss (FVTPL)		1,496,343	717,379
Financial assets at amortised cost		2,173,964	1,737,034
Net (loss)/ gain on financial assets at (FVTPL)		(1,632)	7,910
Unrealised losses on financial assets at FVTPL		(113,883)	(74,263)
Total revenue		3,554,792	2,388,060
Expenses			
Management fees	4,16(d)	966,947	638,437
Other expenses	5	146,592	135,521
Total operating expenses		1,113,539	773,958
Less: expense reimbursed	4	-	(24,589)
Net operating expenses		1,113,539	749,369
Profit for the year, being increase in net assets attributable to holders of redeemable units		2,441,253	1,638,691

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Statement of Financial Position
October 31, 2024
(expressed in United States dollars unless otherwise stated)

	Notes	2024	2023
ASSETS			
Cash and cash equivalents	6	282,211	3,551,709
Balance due from fund manager	7	54,443	78,852
Financial assets at fair value through profit or loss	8	40,184,072	29,713,481
Financial assets at amortised cost	9	39,386,799	28,237,963
Accounts receivable	10	67	51
Total assets		79,907,592	61,582,056
LIABILITY			
Due to Fund Manager	7	107	-
Other payables, being total liability		375,509	1,292,106
Total Liabilities		375,616	1,292,106
Net assets attributable to holders of redeemable units	11	79,531,976	60,289,950

The financial statements on pages 4 to 30 were approved for issue by the Board of Scotia Investments Jamaica Limited on February 12, 2025 and signed on its behalf by:

____________________ Director
Eric Crawford

____________________ Director
Audrey Richards

The accompanying notes on pages 8 to 30 form an integral part of the financial statements.

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
Year ended October 31, 2024
(expressed in United States dollars unless otherwise stated)

	Notes	2024	2023
Balance at the beginning of the year		60,289,950	29,970,709
Profit for the year, being increase in net assets attributable to holders of redeemable units		2,441,253	1,638,691
		62,731,203	31,609,400
Contributions and redemptions by holders of redeemable units:			
Issue of redeemable units during the year	11	28,980,128	35,579,045
Reinvestments	11	1,372,699	871,880
Redemption of units during the year	11	(11,657,404)	(6,567,325)
Distributions	11	(1,894,650)	(1,203,050)
Contributions (redemptions) by holders of redeemable units, net		16,800,773	28,680,550
Balance at the end of the year		79,531,976	60,289,950

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Statement of Cash Flows
Year ended October 31, 2024
(expressed in United States dollars unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Increase in net assets attributable to holders of redeemable units		2,441,253	1,638,691
Adjustments for:			
Unrealised (losses) on financial assets at FVTPL		113,883	74,263
Interest income circulated under the effective interest method		(3,670,307)	(2,454,413)
		(1,115,171)	(741,459)
Changes in operating assets and liabilities			
Financial assets at fair value through profit or loss		(10,533,811)	(18,716,777)
Financial assets at amortised cost		(10,847,234)	(10,078,799)
Balance due from fund manager		24,409	78,465
Accounts receivable		(16)	899
Balance due to fund manager		107	-
Other payables		(916,597)	1,220,122
Proceeds from new units available for investment	11,15	28,980,128	35,579,045
Payments for units encashed	11,15	(11,657,404)	(6,567,325)
Proceeds from income reinvested	11	1,372,699	871,880
Income distribution	11	(1,894,650)	(1,203,050)
		(6,587,540)	443,001
Interest received		3,318,042	1,961,673
Net cash used in operating activities, being net (decrease)/ increase in cash and cash equivalents at end of the year/period		(3,269,498)	2,404,674
Cash and cash equivalents at beginning of the year		3,551,709	1,147,035
Cash and cash equivalents at end of the year		282,211	3,551,709

1. Scotia Premium Short Term Income Fund - USD

Scotia Premium Short Term Income Fund - USD, ("Fund"), is registered in Jamaica as a unit trust scheme under the Unit Trusts Act. The Fund is managed by Scotia Investments Jamaica Limited ("Fund Manager"), and 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 3rd Floor, Scotiabank Centre Building, Corner Duke & Port Royal Street, Kingston, Jamaica, W.I.

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

The Fund is a fixed income portfolio denominated in US dollars. The investment objective of this portfolio is to provide Unit Holders with quarterly income and daily liquidity. The Fund commenced operations on November 15, 2021.

The income of the Fund is exempt from income tax, under Section 13(t) of the Income Tax Act.

2. Summary of material accounting policies

(a) Statement of compliance and basis of preparation

(i) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

New and amended standards and interpretations that became effective during the year

Effective November 1, 2023, the Fund adopted the amendments to IAS 1, which resulted in the Fund disclosing material accounting policies, rather than significant accounting policies, based on the following definition from the amended standard.

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements".

Other pronouncements under IFRS Accounting Standards did not result in any changes to amounts or disclosed in the financial statements.

Details of the Fund's material accounting policies are included in note 2.

New and amended standards and interpretations issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended standards and interpretations were in issue but were not yet effective and had not been early-adopted by the Fund. The Fund has assessed their relevance with respect to its operations and has determined that the following may have an effect on its financial statements:

2. Summary of material accounting policies (continued)

(a) Statement of compliance and basis of preparation (continued)

(i) Statement of compliance (continued)

New and amended standards and interpretations issued but are not yet effective (continued)

- Amendments to IAS 21 *Lack of Exchangeability* for periods beginning on or after January 1, 2025. The amendments provide clarification for situations where market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. The amendments contain no specific requirements for estimating a spot rate.

  The Fund is assessing the impact the amendments will have on its future financial statements.

- IFRS 18 *Presentation and Disclosure in Financial Statements,* is effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 promotes a more consistent structure to the presentation of income statement. In particular, it introduces a newly defined ‘operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (Operating, Investing and Financing) based on a company's main business activities.

  Entities are required to report the newly defined ‘operating profit' subtotal – an important measure for investors' understanding of their operating results – i.e. investing and financing activities are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the ‘investing' category.

  IFRS 18 also requires entities to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. Under the new standard, this presentation provides a ‘useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then the entity provides more detailed disclosures about their nature.

  IFRS 18 requires some ‘non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for management performance measures (MPMs), requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each MPM presented, entities will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

  Entities are discouraged from labelling items as ‘other' and will now be required to disclose more information if they continue to do so.

  The Fund is assessing the impact that the standard will have on its 2028 financial statements.

2. Summary of material accounting policies (continued)

(a) Statement of compliance and basis of preparation (continued)

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value through profit or loss.

(iii) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain assumptions and critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(iv) Functional and presentation currency

These financial statements are presented in United States (US) Dollars, which is the Fund’s functional currency.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the exchange rates prevailing at the reporting date, being the mid-point between Bank of Jamaica’s weighted average buying and selling rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to United States Dollars at the exchange rate at the date that fair value is calculated.

Transactions in foreign currencies are translated to United States Dollars at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from exchange rate fluctuations are included in profit or loss.

(c) Interest

Interest income is recognised in profit or loss using the effective interest method. The “effective interest rate” is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

The ‘gross carrying amount of a financial asset’ is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2. Summary of material accounting policies (continued)

(d) Net gain from financial instruments mandatory at fair value through profit or loss

Net gain from financial instruments mandatorily measured at fair value through profit or loss includes all realised and unrealised fair value changes, realised gains and losses from the sale of financial instruments and foreign exchange differences, but excludes interest.

(e) Financial assets and financial liabilities

(i) Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date, at which the Fund becomes party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial assets and liabilities not at fair value through profit or loss are measured initially at fair value, plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and measurement

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

On initial recognition, the Fund classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are SPPI.

All other financial assets of the Fund are measured at FVTPL.

Business model assessment

All other financial assets of the Fund are measured at FVTPL.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund’s continuing recognition of the assets.

The Fund has determined that it has two business models:

– *Held-to-collect business model*: which includes cash and cash equivalents, receivables and resale agreements. These financial assets are held to collect contractual cash flows.

– *Other business model*: which includes debt securities and certificates of deposit. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

2. Summary of material accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(ii) Classification and measurement

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows; leverage features;
- prepayment and extension features;
- terms that limit the Fund’s claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing those financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

The Fund has financial assets and liabilities classified in the following categories:

- Financial assets at fair value through profit or loss – bonds and other notes.
- Financial assets at amortised cost – cash, receivables, due from Fund Manager, resale agreements and corporate bonds.
- Financial liabilities measured at amortised cost - other payables.

(iii) 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 amortisation using the effective interest method, of any difference between the amount recognised and the maturity amount, minus any reduction for impairment.

2. Summary of material accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(iv) Derecognition

The Fund derecognises a financial instrument when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability on the statement of financial position.

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received is recognised in profit or loss.

The Fund is engaged in transactions whereby it transfers assets recognised on its statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Fund derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Fund has a legal right to set off the recognised amounts and it intends to settle on a net basis or to realise the assets and settle the liability simultaneously.

(vi) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund Manager measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Fund Manager uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

2. Summary of significant accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vi) Fair value measurement (continued)

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Fund Manager determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Fund Manager measures the asset and long positions at a bid price and the liability and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Fund Manager on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Fund recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Identification and measurement of impairment

The Fund recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, based on lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund’s historical experience and informed credit assessment and including forward-looking information.

2. Summary of material accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Identification and measurement of impairment (continued)

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Fund considers this to be as follows:

(a) Credit Ratings issued by Standard and Poor's as BBB- or above;
(b) Credit Ratings issued by Fitch Rating Agency as BBB- or above;
(c) Credit Ratings issued by Moody's Rating Agency as Baa3 or above;
(d) Credit Ratings issued by Caribbean Information and Credit Rating Services Limited as CariBBB- or above.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, including:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- probable bankruptcy or other financial reorganization of the borrower.

2. Summary of material accounting policies (continued)

(e) Financial assets and financial liabilities (continued)

(vii) Identification and measurement of impairment (continued)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset.

(f) Resale agreements

A resale agreement ("reverse repo") is a short-term transaction whereby an entity buys securities and simultaneously agrees to resell the securities on a specified date and at a specified price. Title to the security is not actually transferred, unless the counterparty fails to comply with the terms of the contract.

Reverse repos are accounted for as short-term collateralised lending and are measured at amortised cost. The difference between the purchase and resale price is recognised as interest over the life of the agreements using the effective interest method.

(g) Accounts receivable

Trade and other receivables are measured at amortised cost, less impairment losses.

(h) Other payables

Other payables are measured at amortised cost.

(i) 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 therefore, classified as equity.

(j) Cash and Cash Equivalents

Cash and cash equivalents are measured at amortised cost which approximates fair value. This represents current account, call deposit balances and terms deposits at bank with maturities three months or less.

(expressed in United States dollars unless otherwise stated)

3. Critical accounting estimates and judgements in applying accounting policies

The Fund Manager makes estimates and assumptions that affect the reported amounts of, and disclosures relating to assets, liabilities, income and expenses reported in these financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the absence of quoted market prices, the fair value of certain debt securities was determined using a generally accepted alternative method. The method includes the use of yield on securities with similar risks and tenure at the reporting date. There is however, no single accepted market yield, and therefore the resultant fair value estimates may not reflect the prices at which these instruments would trade in actual arm's length transactions.

4. Management fees

The Manager is entitled to a fee (the "management fee") from the classes of Redeemable Investment Shares as disclosed in the table below.

Class	Management fee per annum
A	1.50%
I	Nil

No management fees are charged on Class I units. Instead, Class I investors negotiate a separate fee that is paid directly to the Fund Manager.

The Fund also incurs certain operating expenses. Such expenses may include, but are not limited to, administrative costs, interest on borrowed funds, auditing expenses, legal expenses, insurance, licensing, accounting, fees and disbursement of transfer agents, registrars, custodians, sub-custodians and escrow agents and the annual registration fee payable in Jamaica. The Fund Manager may at its sole discretion choose to absorb any of these expenses, at any time.

For the year ended October 31, 2024, the Fund Manager voluntarily applied an expense ratio cap of 1.75% for Class A units (2023: 1.75%), and 1.75% for Class I units (2023: 1.75%). As a result of the expense ratio cap, total operating expenses reimbursed by the Manager for the year ended October 31, 2024 was $nil (2023: $24,589). The Fund Manager may decide to change or cease the expense ratio cap at any time.

5. Other expenses

	2024	2023
Auditors' remuneration	14,099	15,881
Transfer agent fees	28,325	25,491
Trustee fees	30,430	19,377
Administration and accounting fees	64,998	68,368
Other	8,740	6,404
	146,592	135,521

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
Year ended October 31, 2024
(expressed in United States dollars unless otherwise stated)

6. Cash and cash equivalents

This represents current account, call deposit balances and terms deposits at bank with maturities three months or less.

7. Balance due from fund manager

This represents a balance due from the Scotia Investments (Jamaica) Limited, net of commission, on account of amounts collected from unit holders for the sale of units or amounts reimbursable for expenditure on behalf of the Fund.

8. Financial assets at fair value through profit or loss

	2024	2023
Government and Bank of Jamaica Securities:		
4.500% Trinidad & Tobago SR Unsecured 2026	4,207,536	1,676,675
3.875% Republic of Columbia SR Unsecured Note 2027	2,391,499	-
3.717% Government of Bermuda SR Unsecured 2027	2,209,944	-
4.125% United Mexican States SR Unsecured 2026	1,787,304	-
3.875% Republic of Panama SR Unsecured 2028	1,695,842	-
5.000% Government of Bermuda SR Unsecured 2032	1,096,480	-
0.000% Treasury Bill 2025	981,506	-
7.125% Republic of Panama SR Unsecured 2026	967,200	958,905
4.500% Republic of Columbia SR Unsecured 2029	743,845	-
0.000% Treasury Bill 2024	699,432	2,031,875
4.500% Republic of Colombia SR Unsecured 2026	691,682	669,176
4.125% Republic of Peru SR Unsecured Note 2027	687,389	-
6.750% United Mexican States SR Unsecured 2024	630,851	-
3.250% Republic of Colombia SR Unsecured 2032	526,842	-
4.750% Government of Bermuda Unsecured 2029	490,000	-
7.350% Republic of Peru SR Unsecured Note 2025	320,515	16,365
3.125% Republic of Chile SR Unsecured Note 2025	297,044	-
2.375% Government of Bermuda SR Unsecured 2030	258,750	-
4.750% United Mexican States SR Unsecured 2032	186,235	-
7.625% Government of Jamaica SR Unsecured 2025	168,667	339,667
4.375% Trinidad & Tobago Unsecured Note 2024	-	2,687,468
4.200% BOJ FR USD 2024	-	1,002,327
4.000% Republic of Panama SR Unsecured 2024	-	781,874
	21,038,563	10,164,332
Accrued interest	174,312	102,127
Balance carried forward to page 19	21,212,875	10,266,459

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
Year ended October 31, 2024
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8. Financial assets at fair value through profit or loss (continued)

	2024	2023
Balance brought forward from page 18	21,212,875	10,266,459
Corporate Bonds:		
Corporate Bonds:		
5.125% Ford Motor Credit Co LLC SR Unsecured 2025	3,760,387	583,630
3.500% Goldman Sachs Group INC SR Unsecured 2025	2,684,576	-
6.125% General Motors Co SR Unsecured 2025	2,422,088	698,744
2.900% General Motors Financial Co INC SR Unsecured 2025	2,010,282	1,933,305
8.500% Purchase of NCBFG 2025	1,300,000	1,288,061
8.300% JMMB Group USD Bond 2024	1,004,707	993,338
8.500% Purchase of NCBCY 2025	600,000	594,490
4.063% Ford Motor Credit Co LLC SR Unsecured 2024	600,000	583,924
5.300% Sagicor Financial Co Company GUAR Unsecured 2028	585,120	-
5.250% VMBS Term Deposit 2025	567,664	-
5.250% JMMB Bank Term Deposit 2025	556,257	-
5.250% Global Bank Corporation SR Unsecured 2029 Var	513,319	-
5.400% General Motors Financial Co INC SR Unsecured 2026	504,063	-
5.800% General Motors Financial Co INC SR Unsecured 2029	460,425	-
5.600% General Motors Co SR Unsecured 2032	457,140	-
7.750% NCBFG 2028	302,172	-
6.100% General Motors Financial Co INC SR Unsecured 2034	205,596	-
5.950% General Motors Financial Co INC SR Unsecured 2034	203,726	-
6.000% JN Bank Term Deposit 2024	-	3,866,378
5.750% VMBS Term Deposit 2024	-	2,675,011
5.650% JMMB Bank Term Deposit 2024	-	2,476,525
4.375% BBVA Bancomer SA Texas SR Unsecured 2024	-	1,887,991
4.000% Goldman Sachs Group INC SR Unsecured 2024	-	496,757
6.000% JN USD Bank Term Deposit 2024	-	418,191
4.650% Goldman Sachs Group INC SR Unsecured 2024 Var	-	395,640
5.000% NCBFG Bond 2024	-	299,840
	18,737,522	19,191,825
Accrued interest	233,675	255,197
	18,971,197	19,447,022
Total	40,184,072	29,713,481

9. Financial assets at amortised cost

	2024	2023
Resale Agreements	38,590,477	27,743,243
Accrued interest	796,322	494,720
	39,386,799	28,237,963

The fair value of underlying securities used to collateralise resale agreements is $87,283,671 (2023: $32,411,180).

10. Accounts receivables

Accounts receivable represent interest receivable.

(expressed in United States dollars unless otherwise stated)

11. Redeemable units

The Fund's capital is represented by the redeemable units outstanding.

The objective of the Fund is to provide investors with a diversified money market fund offering liquidity and preservation of capital. The Fund invests in a wide range of securities, including stable, short-term instruments such as Government of Jamaica securities, Certificates of Deposit and corporate paper issued by creditworthy institutions in Jamaica and overseas. Unit holders may take advantage of the Fund's tax-exempt status by maintaining their investments in the Fund for a minimum period of 5 years.

	2024	2023
Increase in net assets attributable to holders of redeemable units	2,441,253	1,638,691
Proceeds from new units available for investment	28,980,128	35,579,045
Proceeds from reinvestments	1,372,699	871,880
Total inflows	32,794,080	38,089,616
Income distributions during the year	(1,894,650)	(1,203,050)
Units encashed and repaid during the year	(11,657,404)	(6,567,325)
Net proceeds for the year	19,242,026	30,319,241
Balance at the beginning of the year	60,289,950	29,970,709
Balance at end of the year	79,531,976	60,289,950

	Number of units	
	2024	2023
Class A		
Redeemable units:		
Opening balance	5,908,462	2,966,233
Issued during the year	2,393,014	3,588,460
Reinvested during the year	133,835	-
Redeemed during the year	(1,135,340)	(646,231)
Balance as at October 31	7,299,971	5,908,462

	Number of units	
	2024	2023
Class I		
Redeemable units:		
Opening balance	520	505
Issued during the year	433,671	15
	434,191	520

Class A Units are available to all investors. Class I Units are available only to eligible institutional investors and other qualified investors. No management fees are charged by the Fund Manager to the Funds on Class I Units of the Funds. Instead, Class I Unit Holders negotiate a separate fee that is paid directly to the Fund Manager.

After the initial offering period, redeemable units are available for subscription and redemption on each business day at a price equal to the net asset value per unit. The net asset value per unit is calculated in accordance with IFRS Accounting Standard.

In the event of a winding-up of the Fund, holders of redeemable unit are entitled to receive a pro-rata share up to their par value if there are sufficient assets available. In the event of any surplus assets, they are entitled to a further pro-rata unit of the assets.

12. Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund Manager's aim is, therefore, to achieve an appropriate balance between risks and return and minimise potential adverse effects on the Fund's financial performance.

The Fund Manager's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund Manager regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The senior management investment team carries out risk management under policies approved by the Scotia Group Investment Committee. The Investment Committee identifies and evaluates financial risks, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk in accordance with the Trust Deed, which provides written policies for overall risk management.

Financial instrument risks:

Exposure to credit, market, and liquidity risks arises in the course of the Fund's business. Derivative instruments are not presently used to manage, mitigate or eliminate financial instrument risks.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Fund by failing to discharge its obligation. Credit risk is the most important risk for the Fund's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally on investment activities that bring debt securities and other bills into the Fund's asset portfolio. Credit risk management and control are managed by the Investment Committee which has the responsibility of ensuring risks are managed within the limits established by the Trust Deed. In addition, Internal Audit is responsible for the independent review of risk management and the control environment.

The Fund Manager monitors credit risk by establishing a credit committee which reviews and assesses the Fund's credit portfolios with a view to reducing and controlling this risk.

Concentration of credit risk is mainly with respect to investments in Government of Jamaica securities. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

(i) Credit risk measurement

The probabilities of default of counterparties are assessed by using internal rating tools developed by Scotia Group, tailored to the various categories of counterparty. They are validated, where appropriate, by comparison with externally available data. Scotia Group rating scale shown below reflects the range of default probabilities defined for each rating class.

12. Financial risk management (continued)

Financial instrument risks (continued):

(a) Credit risk (continued)

(i) Credit risk measurement (continued)

Scotia Group rating	External rating: Standard & Poor's equivalent
Excellent	AAA to AA+
Very Good	AA to A+
Good	A to A-
Acceptable	BBB+ to BB+
Higher Risk	BB to B-

Credit quality analysis

The Fund's exposure to credit risk arises in respect of the following financial instruments:

- Cash;
- Resale agreements; and
- Investment in Government of Jamaica securities and corporate bonds

Investment securities and resale agreements

The Fund limits its exposure to credit risk by investing only with counterparties that have high credit ratings and in Government of Jamaica securities. Therefore, management does not expect any counterparty to fail to meet its obligations.

The Fund has documented investment policies in place, which guide the Fund in managing credit risk on investment securities and resale agreements. The Fund's exposure and the credit ratings of its counterparties are continually monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties based on their credit ratings and limits set.

At October 31, 2024, the Fund invested in Government of Jamaica securities with a credit grade of B+ (2022: B+), based on Standards and Poor's ratings, and local corporate bonds with a credit grade of CariBBB- and higher, based on CariCRIS ratings.

Cash and cash equivalents

Cash is held with reputable financial institutions and collateral is not required for such accounts as the Fund Manager regards the institutions as strong.

Impairment

Impairment on cash and cash equivalents, receivables and resale agreements has been measured on a 12-month expected loss basis. The Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Fund Manager monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties and reviewing changes in bond yields, where available.

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
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12. Financial risk management (continued)

(b) Market risk

The Fund takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Fund's exposures to market risk are related to portfolios.

The market risk arising from trading and non-trading activities are determined by the Fund Manager and monitored by Scotia Group's treasury teams separately. Regular reports are submitted to the Investment Committee for review. Trading portfolios include those positions arising from market-making transactions where the Fund acts as principal with clients or with the market.

(i) Interest rate risk:

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Fund takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Investment Committee sets limits on the level of mismatch of interest rate re-pricing that may be undertaken, which is monitored daily by the Fund Manager.

The following tables summarise carrying amounts of assets, liabilities and the capital account in order to arrive at the Fund's interest rate gap based on the earlier of contractual repricing and maturity dates.

	2024						
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-rate sensitive	Total
Cash and cash equivalents	282,211	-	-	-	-	-	282,211
Accounts receivable	-	-	-	-	-	67	67
Financial assets at fair value through profit or loss	-	2,350,681	15,860,666	18,324,368	3,648,357	-	40,184,072
Financial assets at amortised cost	-	14,470,297	24,916,502	-	-	-	39,386,799
Balance due from fund manager	-	-	-	-	-	54,443	54,443
Total assets	282,211	16,820,978	40,777,168	18,324,368	3,648,357	54,510	79,907,592
Due from Fund Manager	-	-	-	-	-	107	107
Other payable	-	-	-	-	-	375,509	375,509
Capital account	-	-	-	-	-	79,531,976	79,531,976
Total liabilities and capital account	-	-	-	-	-	79,907,592	79,907,592
Total interest rate Sensitivity gap	282,211	16,820,978	40,777,168	18,324,368	3,648,357	(79,853,082)	-
Cumulative gap	282,211	17,103,189	57,880,357	76,204,725	79,853,082	-	-

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
Year ended October 31, 2024
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12. Financial risk management (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued):

	2023					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 years	Non-rate sensitive	Total
Cash and cash equivalents	3,551,709	-	-	-	-	3,551,709
Recievable from Manager	-	-	-	-	78,852	78,852
Financial assets at fair value through profit or loss	-	3,741,897	15,455,615	10,515,969	-	29,713,481
Financial assets at amortised cost	-	7,504,917	20,733,046	-	-	28,237,963
Due from Fund Manager	-	-	-	-	51	51
Total assets	3,551,709	11,246,814	36,188,661	10,515,969	78,903	61,582,056
Other payable	-	-	-	-	1,292,106	1,292,106
Capital account	-	-	-	-	60,289,950	60,289,950
Total liabilities and capital account	-	-	-	-	61,582,056	61,582,056
Total interest rate Sensitivity gap	**3,551,709**	**11,246,814**	**36,188,661**	**10,515,969**	**(61,503,153)**	**-**
Cumulative gap	**3,551,709**	**14,798,523**	**50,987,184**	**61,503,153**	**-**	**-**

The average interest rates of financial instruments are as follows:

	2024					
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 years	Over 5	Average
	%	%	%	%	%	%
Cash	1.50	-	-	-	-	1.50
Financial assets at fair value through profit or loss	-	6.18	5.67	4.97	4.97	5.45
Financial assets at amortised cost	-	5.15	5.12	-	-	5.13

	2023				
	Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 years	Average
	%	%	%	%	%
Cash	5.08	-	-	-	5.08
Financial assets at fair value through profit or loss	-	4.32	5.52	5.89	5.24
Financial assets at amortised cost	-	5.45	5.73	-	5.59

Cash flows sensitivity analysis for variable rate instruments:

An increase of 25 (2023: 50) basis points in interest rates at the reporting date would have increased the net assets attributable to holders of redeemable units and the profit by $1,338 (2023: $2,000). A decrease of 100 (2022: 25) basis points in interest rates would have decreased the net assets attributable to holders of redeemable units and profit by $5,350 (2023: $1,000).

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
Year ended October 31, 2024
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12. Financial risk management (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued):

Fair value sensitivity analysis

A change of +25 and -100 (2023: +50 and -25) basis points in interest rates for Jamaica and +25 and -100 (2023: +50 and -25) basis points on United States dollar financial instruments at the reporting date would have increased/(decreased) the net assets attributable to holders of redeemable units by the amounts shown below.

The analysis assumes that all other variables, in particular, foreign currency rates, remain constant. The analysis is performed on a consistent manner on year on year basis.

Change in basis points

	(Decrease)/increase in net assets attributable to holders of redeemable units	
	2024	2023
USD interest rates +25bps/50bps	(117)	(117)
-100bps/25bps	733	60
JMD interest rates +25bps/50bps	-	-
-100bps/25bps	-	-

(ii) Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund incurs foreign currency risk on transactions that are denominated in a currency other than the United States Dollar. The main currency giving rise to this risk is the Jamaica Dollar (JMD). The Fund ensures that the net exposure is kept within limits established by the Fund Manager.

At the reporting date, the US Dollar equivalent of the Fund's financial assets and liabilities were as follows:

	2024		
	JMD	USD	Total
Financial assets			
Investments	-	79,570,871	79,570,871
Cash	-	282,211	282,211
Due from Fund Manager	-	54,443	54,443
Receivables from Manager	-	67	67
Total financial assets	-	79,907,592	79,907,592
Financial liability			
Due to Fund Manager	-	(107)	(107)
Other payables	-	(375,509)	(375,509)
Net financial assets	-	79,531,976	79,531,976

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
Year ended October 31, 2024
(expressed in United States dollars unless otherwise stated)

12. Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign currency risk (continued):

	2023		
	JMD	USD	Total
Financial assets			
Cash	-	3,551,709	3,551,709
Investments	-	57,951,444	57,951,444
Receivables from Manager	-	78,852	78,852
Due from Fund Manager	-	51	51
Total financial assets	-	61,582,056	61,582,056
Financial liability			
Other payables	-	(1,292,106)	(1,292,106)
Net financial assets	-	60,289,950	60,289,950

Sensitivity analysis

The following exchange rate was applied during the period:

	Average rate for the year		Reporting date spot rate	
	2024	2023	2024	2023
JMD$1	156.1220	153.8148	158.3700	155.2496

Changes in the J$ against the US$ at October 31, would have increased/(decreased) net assets attributable to holders of redeemable units by the amounts shown below.

	Net assets attributable to holders of redeemable units	
	2024	2023
US$ increase by 4% (2023: 4%)	3,181,279	2,411,598
US$ decrease by 1% (2023: 1%)	(795,320)	(602,900)

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay unit holders and fulfill other commitments.

A senior management investment team regularly reviews sources of liquidity and performs the following:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or encashment made by unit holders;
- Maintaining an active, highly marketable portfolio of assets/money markets and or equity (shares), which can be easily liquidated as protection against unforeseen disruption to cash flow;
- Managing the concentration and profile of debt maturities against internal and regulatory requirements; and
- Monitoring the liquidity ratios against internal and regulatory requirements.

The Fund's financial liabilities consist of other payables with contractual maturities of within three months from the reporting date.

12. Financial risk management (continued)

(d) Capital risk management

The redeemable shares issued by the Fund provide an investor with the right to redeem shares for cash at a value proportionate to the investor's share in the Fund's net assets at each redemption date and are classified as equity. See note 11 for description of the redeemable shares issued by the Fund.

The Fund's objectives when managing the redeemable shares are to maintain a strong base to maximise returns to all investors and manage liquidity risk arising from redemptions.

The Fund is not subject to any externally-imposed capital requirements. There were no changes to the Fund's risk management policies during the period.

13. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument.

For financial instruments for which no market price is available, the fair value presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The Fund measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on prices for similar instruments for which significant observation adjustments or assumptions are done to reflect differences between the instruments.

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements (Continued)
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13. Fair value of financial instruments (continued)

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) financial investments classified as "at fair value through profit or loss" are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques;

(ii) the fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount.

(iii) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts.

Accounting classifications and fair values:

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. This table excludes financial instruments not carried at fair value but for which carrying value approximates fair value.

	2024					
	Carrying amount			**Fair value**		
	Amortised cost	At fair value through profit or loss	Total	Level 2	Level 3	Total
Financial assets measured at fair value:						
Financial assets at fair value through profit or loss	-	40,184,072	40,184,072	38,284,072	1,900,000	40,184,072
Financial assets not measured at fair value:						
Financial assets at amortised cost	39,386,799	-	39,386,799	-	39,386,799	39,386,799
Cash	282,211	-	282,211	-	282,211	282,211
Balance due from fund manager	54,443	-	54,443	-	54,443	54,443
Accounts receivable	67	-	67	-	67	67
	39,723,520	-	39,723,520	-	39,723,520	39,723,520
Financial liabilities not measured at fair value:						
Due to Fund Manager	107	-	107	-	107	107
Other payables	375,509	-	375,509	-	375,509	375,509

	2023					
	Carrying amount			**Fair value**		
	Amortised cost	At fair value through profit or loss	Total	Level 2	Level 3	Total
Financial assets measured at fair value:						
Financial assets at fair value through profit or loss	-	29,713,481	29,713,481	27,830,930	1,882,551	29,713,481
Financial assets not measured at fair value:						
Cash	3,551,709	-	3,551,709	-	3,551,709	3,551,709
Financial assets at amortised cost	28,237,963	-	28,237,963	-	28,237,963	28,237,963
Receivable from manager	78,852	-	78,852	-	78,852	78,852
Balance due from fund manager	51	-	51	-	51	51
	31,868,575	-	31,868,575	-	31,868,575	31,868,575
Financial liabilities not measured at fair value:						
Other payables	1,292,106	-	1,292,106	-	1,292,106	1,292,106

SCOTIA PREMIUM SHORT TERM INCOME FUND - USD

Notes to the Financial Statements
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14. Units prices/yield

(a) The number of units at October 31, 2024 was $7,734,162 (2023: $5,908,982).

(b) The yield of the Fund for the year ended October 31, 2024 was 3.74% (2023: 3.79%). The calculation of yield is based on the annualised movement in unit price over the period.

(c) The price per unit as at October 31, 2024 was:

Class A - $10.29 (2023: $10.20)

Class I - $10.15 (2023: $9.95)

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 at a point in time.

15. Statement of transactions

	2024	2023
Proceeds from sale of new units	28,980,128	35,579,045
Less: amount paid over to Trustee	(28,980,128)	(35,579,045)
	Nil	Nil
Encashment of units by clients	(11,657,404)	(6,567,325)
Payment by Trustee	11,657,404	6,567,325
	Nil	Nil

16. Related party balances and transactions

(a) Parties are considered to be related if one party has the ability to control or exercise significant influence over, or be controlled and significantly influenced by, the other party or both parties are subject to common control or significant influence. A number of transactions are entered into with related parties, in the normal course of business. These include investment transactions.

Related party transactions with the Fund Manager include management fees and interest income.

(b) Identity of related parties:

The Fund has related party relationships with its Fund Manager, parent and subsidiary of the Fund Manager and companies under common control with the Fund Manager.

(expressed in United States dollars unless otherwise stated)

16. Related party balances and transactions (continued)

(c) The statement of financial position includes related party balances, arising in the ordinary course of business as follows:

	2024	2023
Due from Fund Manager	54,443	78,852
Fund Manager and companies under common control with the Fund Manager:		
Cash – The Bank of Nova Scotia Jamaica Limited	172,429	245,963
Other payables:		
Scotia Investments Jamaica Limited	(79)	(1,186,484)

(d) The statement of profit or loss and other comprehensive income includes the following (income)/expenses earned from/incurred in transactions with related parties in the ordinary course of business:

	2024	2023
Management fees:		
Scotia Investments Jamaica Limited	966,947	638,437

(e) The following related parties are unit holders as at October 31 with balances as shown:

	2024	2023
Scotia Investments Jamaica Limited	319,293	314,617
Key management personnel of Fund Manager	643,000	-