

**SCOTIA PREMIUM SHORT-
TERM INCOME FUND
(JMD)**

**UNAUDITED
FINANCIAL
STATEMENTS**

**PERIOD ENDED
APRIL 30, 2023**

SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD)
STATEMENT OF COMPREHENSIVE INCOME
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Three months ended		Six months ended	
	April 30, 2023	April 30, 2022	April 30, 2023	April 30, 2022*
Revenue				
Interest				
Financial assets at fair value through profit or loss	5,703	246	11,686	246
Financial assets at amortised cost	44,928	3,925	80,314	4,796
Revaluation gain on financial assets at fair value through profit or loss	2,313	-	4,204	-
Total revenue	52,944	4,171	96,204	5,042
Expenses				
Management fees	8,949	-	16,903	-
Other	6,277	1,555	12,708	2,046
Total operating expenses	15,226	1,555	29,611	2,046
Less: expenses reimbursed	(4,816)	-	(9,976)	-
Net operating expenses	10,410	1,555	19,635	2,046
Profit for the period, being increase in net assets attributable to holders of redeemable units	42,534	2,616	76,569	2,996

* The Fund commenced operations on November 15, 2021.

SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD)
STATEMENT OF FINANCIAL POSITION
(expressed in Jamaican Dollars)

Unaudited (\$000's)	April 30, 2023	October 31, 2022	April 30, 2022
ASSETS			
Cash	743,743	610,513	149,557
Financial assets at fair value through profit or loss	1,154,084	637,311	90,938
Financial assets at amortised cost	319,959	354,560	258,806
Due from Fund Manager	44,697	12,078	37,600
Accounts receivable	39	-	-
Due from Broker	-	17,177	-
Total assets	2,262,522	1,631,639	536,901
LIABILITY			
Other payables, being total liability	47,152	6,320	610
Net assets attributable to holders of redeemable units	2,215,370	1,625,319	536,291
Represented by:			
Net assets attributable to holders of redeemable units	2,215,370	1,625,319	536,291

Issuance approved and signed on June 7, 2023 on behalf of the Board of Scotia Investments Jamaica Limited by:

Audrey Tugwell Henry
Audrey Tugwell Henry
Director

Audrey Richards
Audrey Richards
Director

SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Six months ended	
	April 30, 2023	April 30, 2022*
Balance at beginning of the period	1,625,319	-
Profit for the period, being increase in net assets attributable to holders of redeemable units	76,569	2,996
	<u>1,701,888</u>	<u>2,996</u>
Contributions and redemptions by holders of redeemable units:		
Issue of redeemable units during the period	833,804	556,801
Reinvestments	41,532	1,124
Redemption of units during the period	(305,544)	(23,466)
Distributions	(56,310)	(1,164)
	<u>513,482</u>	<u>533,295</u>
Contributions and redemptions by holders of redeemable units, net		
	<u>513,482</u>	<u>533,295</u>
Balance at end of the period	<u>2,215,370</u>	<u>536,291</u>

* The Fund commenced operations on November 15, 2021.

SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD)
STATEMENT OF CASH FLOWS
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Six months ended	
	April 30, 2023	April 30, 2022*
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	76,569	2,996
Adjustments for:		
Revaluation gain on financial assets at fair value through profit or loss	(4,204)	-
Interest income	(92,000)	(5,042)
	<u>(19,635)</u>	<u>(2,046)</u>
Changes in operating assets and liabilities		
Financial assets at fair value through profit and loss	(494,912)	(90,756)
Financial assets at amortised cost	38,628	(256,577)
Due from Fund Manager	(32,619)	(37,600)
Accounts receivable	(39)	-
Due from Broker	17,177	-
Other payables	40,832	610
Proceeds from new units available for investments	833,804	556,801
Payments for units encashed	(305,544)	(23,466)
Proceeds from income reinvested	41,532	1,124
Income distribution	(56,310)	(1,164)
	<u>62,914</u>	<u>146,926</u>
Interest received	<u>70,316</u>	<u>2,631</u>
Net cash provided by operating activities, being net increase in cash	133,230	149,557
Cash at beginning of the period	<u>610,513</u>	<u>-</u>
Cash at end of the period	<u>743,743</u>	<u>149,557</u>

* The Fund commenced operations on November 15, 2021.

SCOTIA PREMIUM SHORT-TERM INCOME FUND (JMD)
Notes to the Financial Statements
April 30, 2023

1. The Scotia Premium Short-Term Income Fund (JMD)

The Scotia Premium Short-Term Income Fund (JMD) (“the 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 offices at 3rd Floor, Scotiabank Centre Building, Corner Duke & Port Royal Streets, Kingston, Jamaica, W.I.

Scotia Investments Jamaica Limited (“Fund Manager”) is a wholly-owned subsidiary of Scotia Group Jamaica Limited (“Scotia Group”).

The Fund is a fixed income portfolio denominated in Jamaican 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. 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 SHORT-TERM INCOME FUND (JMD)
Notes to the Financial Statements (continued)
April 30, 2023

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 April 30, 2023 was 21,449,217 (October 31, 2022: 15,901,515).

5. Unit price/yield

(a) The yield of the Fund for the period ended April 30, 2023 was 7.87% (April 30, 2022: 4.10%).

The calculation of yield is based on the annualised movement in unit price over the period.

(b) The price per unit as at April 30, 2023 was:

Buying/selling - \$103.29 (October 31, 2022: \$102.23)

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.