

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

**UNAUDITED
FINANCIAL
STATEMENTS**

**PERIOD ENDED
APRIL 30, 2023**

SCOTIA PREMIUM SHORT-TERM INCOME FUND (USD)
STATEMENT OF COMPREHENSIVE INCOME
(expressed in United States Dollars)

Unaudited	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	172,148	-	261,317	-
Financial assets at amortised cost	383,666	92,990	733,715	105,408
Revaluation loss on financial assets at fair value through profit or loss	(14,875)	-	(9,084)	-
Total revenue	540,939	92,990	985,948	105,408
Expenses				
Management fees	142,056	-	263,017	-
Other	49,091	38,812	98,469	47,124
Total operating expenses	191,147	38,812	361,486	47,124
Less: expenses reimbursed	(17,275)	-	(38,994)	-
Net operating expenses	173,872	38,812	322,492	47,124
Profit for the period, being increase in net assets attributable to holders of redeemable units	367,067	54,178	663,456	58,284

* The Fund commenced operations on November 15, 2021.

SCOTIA PREMIUM SHORT-TERM INCOME FUND (USD)
STATEMENT OF FINANCIAL POSITION
(expressed in United States Dollars)

Unaudited	April 30, 2023	October 31, 2022	April 30, 2022
ASSETS			
Cash	4,466,914	1,147,035	695,318
Financial assets at fair value through profit or loss	18,661,744	10,799,041	-
Financial assets at amortised cost	21,162,327	17,938,350	11,945,708
Contributions receivable	246,442	157,317	-
Accounts receivable	1,017	950	-
Due from Fund Manager	-	-	472,473
Total assets	44,538,444	30,042,693	13,113,499
LIABILITY			
Other payables, being total liability	1,000,991	71,984	35,360
Net assets attributable to holders of redeemable units	43,537,453	29,970,709	13,078,139
Represented by:			
Net assets attributable to holders of redeemable units	43,537,453	29,970,709	13,078,139

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 (USD)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
(expressed in United States Dollars)

Unaudited	Six months ended	
	April 30, 2023	April 30, 2022*
Balance at beginning of the period	29,970,709	-
Profit for the period, being increase in net assets attributable to holders of redeemable units	663,456	58,284
	<u>30,634,165</u>	<u>58,284</u>
Contributions and redemptions by holders of redeemable units:		
Issue of redeemable units during the period	15,800,600	13,494,249
Reinvestments	351,586	23,740
Redemption of units during the period	(2,764,458)	(472,280)
Distributions	(484,440)	(25,854)
	<u>12,903,288</u>	<u>13,019,855</u>
Contributions and redemptions by holders of redeemable units, net		
	<u>12,903,288</u>	<u>13,019,855</u>
Balance at end of the period	<u>43,537,453</u>	<u>13,078,139</u>

* The Fund commenced operations on November 15, 2021.

SCOTIA PREMIUM SHORT-TERM INCOME FUND (USD)
STATEMENT OF CASH FLOWS
(expressed in United States Dollars)

Unaudited	Six months ended	
	April 30, 2023	April 30, 2022*
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	663,456	58,284
Adjustments for:		
Revaluation loss on financial assets at fair value through profit or loss	9,084	-
Interest income	(995,032)	(105,408)
	<u>(322,492)</u>	<u>(47,124)</u>
Changes in operating assets and liabilities		
Financial assets at fair value through profit and loss	(7,745,842)	-
Financial assets at amortised cost	(3,212,742)	(11,840,300)
Contributions receivable	(89,125)	-
Accounts receivable	(67)	-
Due from Fund Manager	-	(472,473)
Other payables	929,007	35,360
Proceeds from new units available for investments	15,800,600	13,494,249
Payments for units encashed	(2,764,458)	(472,280)
Proceeds from income reinvested	351,586	23,740
Income distribution	(484,440)	(25,854)
	<u>2,462,027</u>	<u>695,318</u>
Interest received	<u>857,852</u>	<u>-</u>
Net cash provided by operating activities, being net increase in cash	3,319,879	695,318
Cash at beginning of the period	<u>1,147,035</u>	<u>-</u>
Cash at end of the period	<u>4,466,914</u>	<u>695,318</u>

* The Fund commenced operations on November 15, 2021.

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

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

The Scotia Premium Short-Term Income Fund (USD) (“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 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. 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 United States 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 (USD)
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 4,288,192 (October 31, 2022: 2,966,738).

5. Unit price/yield

(a) The yield of the Fund for the period ended April 30, 2023 was 3.82% (April 30, 2022: 2.61%).

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 – \$10.15 (October 31, 2022: \$10.10)

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.