

SCOTIA PREMIUM US DOLLAR INDEXED FUND

**UNAUDITED
FINANCIAL
STATEMENTS**

**PERIOD ENDED
July 31, 2023**

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Three months ended		Nine months ended	
	July 31, 2023	July 31, 2022	July 31, 2023	July 31, 2022
Revenue				
Interest				
Financial assets at fair value through profit or loss	24,311	27,061	73,367	85,198
Financial assets at amortised cost	11,183	14,070	38,446	36,537
Foreign exchange gain	27,070	335	36,074	9,808
Net loss on financial assets at fair value through profit or loss	(4,060)	-	(2,329)	-
Revaluation gain (loss) on financial assets at fair value through profit or loss	11,446	(75,229)	61,224	(268,806)
Total revenue	<u>69,950</u>	<u>(33,763)</u>	<u>206,782</u>	<u>(137,263)</u>
Expenses				
Management fees	11,370	14,479	38,317	43,257
Other	7,064	4,441	15,767	13,269
Total operating expenses	<u>18,434</u>	<u>18,920</u>	<u>54,084</u>	<u>56,526</u>
Profit (loss) for the period, being increase (decrease) in net assets attributable to holders of redeemable units	<u>51,516</u>	<u>(52,683)</u>	<u>152,698</u>	<u>(193,789)</u>

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF FINANCIAL POSITION
(expressed in Jamaican Dollars)

Unaudited (\$000's)	July 31, 2023	October 31, 2022	July 31, 2022
ASSETS			
Cash	119,849	131,602	-
Financial assets at fair value through profit or loss	3,178,511	3,020,751	2,967,661
Financial assets at amortised cost	286,001	481,437	823,790
Accounts receivable	3,380	6,760	1,163
Due from Fund Manager	-	100	-
Total assets	3,587,741	3,640,650	3,792,614
LIABILITY			
Other payables	7,292	7,384	3,980
Bank overdraft	-	-	15,039
Total liability	7,292	7,384	19,019
Net assets attributable to holders of redeemable units	3,580,449	3,633,266	3,773,595
Represented by:			
Net assets attributable to holders of redeemable units	3,580,449	3,633,266	3,773,595

Issuance approved and signed on September 6, 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 US DOLLAR INDEXED FUND
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Nine months ended	
	July 31, 2023	July 31, 2022
Balance at beginning of the period	3,633,266	3,709,611
Profit (loss) for the period, being increase (decrease) in net assets attributable to holders of redeemable units	<u>152,698</u>	<u>(193,789)</u>
	<u>3,785,964</u>	<u>3,515,822</u>
Contributions and redemptions by holders of redeemable units:		
Issue of redeemable units during the period	78,966	529,595
Reinvestments	47,575	36,538
Redemption of units during the period	(273,943)	(263,197)
Distributions	<u>(58,113)</u>	<u>(45,163)</u>
Contributions and redemptions by holders of redeemable units, net	<u>(205,515)</u>	<u>257,773</u>
Balance at end of the period	<u><u>3,580,449</u></u>	<u><u>3,773,595</u></u>

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF CASH FLOWS
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Nine months ended	
	July 31, 2023	July 31, 2022
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	152,698	(193,789)
Adjustments for:		
Revaluation (gain) loss on financial assets at fair value through profit or loss	(61,224)	268,806
Interest income	(111,813)	(121,735)
	<u>(20,339)</u>	<u>(46,718)</u>
Changes in operating assets and liabilities		
Financial assets at fair value through profit and loss	(112,057)	(294,558)
Financial assets at amortised cost	192,910	(167,364)
Accounts receivable	3,380	(1,163)
Due from Fund Manager	100	-
Other payables	(92)	(4,321)
Proceeds from new units available for investments	78,966	529,595
Payments for units encashed	(273,943)	(263,197)
Proceeds from income reinvested	47,575	36,538
Income distribution	(58,113)	(45,163)
	<u>(141,613)</u>	<u>(256,351)</u>
Interest received	129,860	129,612
Net cash used in operating activities, being net decrease in cash	(11,753)	(126,739)
Cash at beginning of the period	131,602	111,700
Cash (bank overdraft) at end of the period	<u>119,849</u>	<u>(15,039)</u>

SCOTIA PREMIUM US DOLLAR INDEXED FUND
Notes to the Financial Statements
July 31, 2023

1. The Scotia Premium US Dollar Indexed Fund

The Scotia Premium US Dollar Indexed Fund (“the Fund”) is registered in Jamaica as a unit trust scheme under the Unit Trusts Act. Effective December 1, 2016, there was a consolidation of the asset management activities within Scotia Investments Jamaica Limited (SIJL). Fund management services previously conducted by Scotia Asset Management (Jamaica) Limited (SAMJ), were transferred to its parent company, Scotia Investments Jamaica Limited, (“Fund Manager”). 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 United States Dollar indexed fixed income portfolio denominated in Jamaican Dollars. The investment objective of this portfolio is to maximize total Jamaican Dollar return to unit holders by primarily investing in a diversified mix of United States Dollar denominated fixed income instruments. The Fund commenced operations on January 15, 2016.

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.

New and revised standards that became effective this year did not have any material impact on the financial statements and the accounting policies are consistent with those applied in the audited financial statements for the year ended October 31, 2022.

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 US DOLLAR INDEXED FUND
Notes to the Financial Statements (continued)
July 31, 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 July 31, 2023 was 28,451,715 (October 31, 2022: 29,631,173).

5. Unit price/yield

(a) The yield of the Fund for the period ended July 31, 2023 was 4.68% (July 31, 2022: 3.10%).

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

(b) The price per unit as at July 31, 2023 was:

Buying/selling - \$125.85 (October 31, 2022: \$122.53)

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.