

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2023

SCOTIA CARIBBEAN INCOME FUND INC.
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SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF FINANCIAL POSITION


(expressed in United States Dollars)

<u>Assets</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash and cash equivalents	\$ 2,142,511	\$ 627,139
Securities purchased under resale agreements	8,006,615	13,937,862
Financial assets at fair value through profit or loss	105,501,692	103,358,434
Other receivables	49,122	-
Total assets	\$ 115,699,940	\$ 117,923,435
<u>Equity</u>		
Share Capital	\$ 1,000	\$ 1,000
<u>Liabilities</u>		
Balance due to brokers	\$ 538,376	\$ -
Due to related parties	449,740	468,359
Other payables	130,523	110,959
Tax withholding liability	13,011	4,102
Redemptions payable	-	91,857
Total Liabilities (excluding net assets attributable to holders of investment shares)	\$ 1,131,650	\$ 675,277
 Net assets attributable to holders of investment shares	 \$ 114,567,290	 \$ 117,247,158
Value per investment share based on number of shares		
Class A shares issued and outstanding as at December 31, 2023		
34,075,430 (March 2023: 36,026,692)	\$ 3.3619	\$ 3.2543
Class I shares issued and outstanding as at December 31, 2023		
1,610 (March 2023: 1,552)	\$ 4.6084	\$ 4.4586

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

 Digitally signed by Carol McKeever
Date: 2024.01.25 17:20:23 -0400

Carol McKeever
Director



Lisl Lewis
Director

Date : January 26, 2024

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	For the three month periods ended		For the nine month periods ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<u>Investment income</u>				
Interest income	\$ 1,538,680	\$ 1,725,597	\$ 4,711,013	\$ 5,044,549
Other income	(40)	1,209	346	102,013
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	(48,794)	(97)	(71,168)	(67,396)
Net change in unrealized gain (loss) on financial assets at fair value through profit or loss and foreign currencies	3,584,169	4,226,084	3,597,174	(5,889,587)
Net investment income (loss)	\$ 5,074,015	\$ 5,952,793	\$ 8,237,365	\$ (810,421)
<u>Expenses</u>				
Management fees	\$ (449,740)	\$ (476,470)	\$ (1,385,167)	\$ (1,521,887)
Trailer fees	(105,119)	(111,673)	(323,761)	(356,692)
Custodian & Administrator fees	(52,630)	(63,062)	(163,984)	(192,437)
Professional fees	(21,359)	(7,436)	(46,140)	(20,695)
Other expenses	(20,283)	(57,034)	(93,634)	(71,590)
Total operating expenses	\$ (649,131)	\$ (715,675)	\$ (2,012,686)	\$ (2,163,301)
Operating gain (loss) before finance costs	\$ 4,424,884	\$ 5,237,118	\$ 6,224,679	\$ (2,973,722)
Finance costs				
Dividends to holders of investment shares	\$ (881,656)	\$ (1,005,801)	\$ (2,521,156)	\$ (2,973,076)
Total finance costs	\$ (881,656)	\$ (1,005,801)	\$ (2,521,156)	\$ (2,973,076)
Net comprehensive income (loss) for the period	\$ 3,543,228	\$ 4,231,317	\$ 3,703,523	\$ (5,946,798)

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the nine month periods ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Beginning Balance	\$ 117,247,158	\$ 142,167,375
Net comprehensive income (loss) for the period	3,703,523	(5,946,798)
Subscriptions	4,459,809	2,254,990
Reinvestments	2,043,361	2,522,808
Redemptions	<u>(12,886,561)</u>	<u>(22,136,039)</u>
Ending Balance	<u>\$ 114,567,290</u>	<u>\$ 118,862,336</u>

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

	For the nine month periods ended	
	December 31, 2023	December 31, 2022
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to holders of investment shares after income tax	\$ 3,703,523	\$ (5,946,798)
Adjustments for:		
Dividends paid to holders of investment shares	2,521,156	2,973,076
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	71,168	67,396
Net change in unrealized (gain)/loss on financial assets at fair value through profit or loss	(3,597,174)	5,889,593
Net change in unrealized loss on foreign currencies	(3)	-
	2,698,670	2,983,267
Interest received	900,603	6,135,026
Interest paid	-	(5,146,562)
Proceeds from sale of investments	11,173,953	25,598,408
Purchase of investments	(10,153,429)	(4,897,483)
Net non-interest payments for purchase and resale agreements	5,931,247	(4,462,382)
(Increase)/decrease in other receivables	(49,122)	118,286
Decrease in due to related parties	(18,619)	(105,282)
Increase in other payables	19,564	17,309
Increase/(decrease) in tax withholding liability	8,909	(10,936)
Increase/(decrease) in income distribution payable	-	(139,438)
Net cash provided by operating activities	10,511,776	20,090,213
Cash flows from financing activities		
Proceeds from issue of investment shares	4,459,809	2,254,990
Proceeds from reinvested investment shares	2,043,361	2,522,808
Payments on redemption of investment shares	(12,978,418)	(22,128,635)
Dividends paid to holders of investment shares	(2,521,156)	(2,973,076)
Net cash used in by financing activities	(8,996,404)	(20,323,913)
Net increase/(decrease) in cash and cash equivalents	1,515,372	(233,700)
Cash and cash equivalents at beginning of period	627,139	471,986
Cash and cash equivalents at end of period	\$ 2,142,511	\$ 238,286
Cash and cash equivalents includes:		
Cash	\$ 1,000,940	\$ 238,286
Securities purchased under resale agreements with maturity of 90 days or less	1,141,571	-
Total cash and cash equivalents	\$ 2,142,511	\$ 238,286

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2023

1. General

Scotia Caribbean Income Fund Inc. (the "Fund") was incorporated on March 29, 2006 in Saint Lucia. The Fund was also licensed under the Saint Lucia International Mutual Fund Act as a public international mutual fund. On November 27, 2006 and on January 11, 2007; the Fund was registered under the Companies Act of Jamaica and Trinidad and Tobago, respectively. The Fund is registered under the Trinidad and Tobago Securities & Exchange Commission (SEC) as a reporting issuer. On September 7, 2009, the Fund was registered under the Companies Law of the Cayman Islands and on September 17, 2009, the Fund was registered under the Mutual Funds Law of the Cayman Islands.

Effective June 11, 2021, the Fund was re-domiciled and transitioned from a corporation under the laws of Saint Lucia to a company continued in and licensed as a mutual fund under the laws of Barbados. The transition did not affect the assets of the Fund or the value of the investments.

The registered office of the Fund is located at 1st Floor CGI Tower, Warrens, St. Michael, Barbados.

Effective January 11, 2022, the Fund de-registered with the Cayman regulator as a registered mutual fund.

The Fund's investment objective is to provide a regular stream of income and modest capital gains by investing primarily in US dollar denominated fixed income securities issued or guaranteed by governments or government sponsored agencies of a country in the Caribbean region, as well as money market and longer term fixed income securities issued by non-government issuers in accordance with the Investment Policy below. The Fund may also invest in other income generating securities, which may include dividend paying shares.

The investment activities of the Fund are managed by Scotia Asset Management (Barbados) Inc. (the "Fund Administrator"), a company incorporated in Barbados. The custodian activities are performed by State Street Bank and Trust Company Ltd (the "Custodian"), which is an independent entity and is not a related party to the Fund Administrator or the Fund Manager. The Fund Administrator has appointed State Street Cayman Trust Company Ltd., a trust company duly organised under the laws of the Cayman Islands as Fund Sub-Administrator. The Fund has no employees.

2. Significant accounting policies

These statements are prepared using the International Accounting Standards. Security transactions are accounted for on a trade date basis. Realized gains and losses on the sales of portfolio securities are calculated on an average cost basis. Interest is recorded on an accrual basis and dividend income is recognized on the ex-dividend date.