

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2021

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SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2021
(expressed in United States Dollars)

<u>Assets</u>	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Cash and cash equivalents	\$ 132,023	\$ 1,763,930	\$ 465,512
Securities purchased under resale agreements	19,873,159	21,029,963	17,822,163
Financial assets at fair value through profit or loss	138,080,479	136,868,349	128,910,116
Other receivables	57,697	127,449	103,210
Receivable for investments sold	-	-	1,731,122
Interest receivable	-	-	180,583
Total assets	<u>\$ 158,143,358</u>	<u>\$ 159,789,691</u>	<u>\$ 149,212,706</u>
<u>Equity</u>			
Share Capital	\$ 1,000	\$ 1,000	\$ 1,000
<u>Liabilities</u>			
Due to related parties	\$ 621,461	\$ 622,210	\$ 644,774
Accrued expenses	73,082	78,279	71,808
Redemptions payable	50,443	5,382	441,006
Balance due to brokers	-	1,041,969	1,134,256
Tax withholding liability	-	19	-
Total Liabilities (excluding net assets attributable to holders of investment shares)	<u>\$ 744,986</u>	<u>\$ 1,747,859</u>	<u>\$ 2,291,844</u>
Net assets attributable to holders of investment shares	<u>\$ 157,397,372</u>	<u>\$ 158,040,832</u>	<u>\$ 146,919,862</u>
Value per investment share based on number of shares			
Class A shares issued and outstanding as at March 31, 2021			
43,056,266 (December 2020: 42,543,673; March 2020: 42,527,244)	<u>\$ 3.6555</u>	<u>\$ 3.7146</u>	<u>\$ 3.4546</u>
Class I shares issued and outstanding as at March 31, 2021			
1,408 (December 2020: 1,393; March 2020: 1,348)	<u>\$ 5.0057</u>	<u>\$ 5.0871</u>	<u>\$ 4.7296</u>

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

Rhory McNamara
Rhory McNamara
Director

Chester Hinkson
Chester Hinkson
Director

Date : May 6, 2021

SCOTIA CARIBBEAN INCOME FUND INC.

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

FOR THE QUARTER ENDED MARCH 31, 2021

(expressed in United States dollars)

<u>Investment income</u>	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Interest income	\$ 1,823,642	\$ 1,618,878	\$ 1,942,606
Other income	1,801	343	29
Net realised gain (loss) on financial assets through profit or loss	196,151	102,534	(277,545)
Net change in unrealised (loss) gain in financial assets at fair value through profit or loss	<u>(2,726,092)</u>	<u>5,494,071</u>	<u>(13,099,786)</u>
Net investment (loss) income	<u>\$ (704,498)</u>	<u>\$ 7,215,826</u>	<u>\$ (11,434,696)</u>
 <u>Expenses</u>			
Management fees	\$ (621,461)	\$ (622,210)	\$ (644,774)
Trailer fees	(145,655)	(145,830)	(151,119)
Custodian & Administrator fees	(58,562)	(63,612)	(79,025)
Professional fees	(4,621)	(6,087)	(4,568)
Other expenses	<u>(43,564)</u>	<u>(23,339)</u>	<u>(24,798)</u>
Total operating expenses	<u>\$ (873,863)</u>	<u>\$ (861,078)</u>	<u>\$ (904,284)</u>
Operating (loss) profit before finance costs	<u>\$ (1,578,361)</u>	<u>\$ 6,354,748</u>	<u>\$ (12,338,980)</u>
Finance costs			
Dividends to holders of investment shares	<u>\$ (945,043)</u>	<u>\$ (765,619)</u>	<u>\$ (1,033,552)</u>
Total finance costs	<u>\$ (945,043)</u>	<u>\$ (765,619)</u>	<u>\$ (1,033,552)</u>
Net comprehensive (loss) income for the period	<u>\$ (2,523,404)</u>	<u>\$ 5,589,129</u>	<u>\$ (13,372,532)</u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS
FOR THE QUARTER ENDED MARCH 31, 2021
(expressed in United States dollars)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Beginning Balance	\$ 158,040,832	\$ 150,440,800	\$ 161,879,186
Net comprehensive (loss) income for the period	(2,523,404)	5,589,129	(13,372,532)
Subscriptions	5,142,723	4,368,349	7,577,671
Reinvestments	757,767	613,465	889,603
Redemptions	<u>(4,020,546)</u>	<u>(2,970,911)</u>	<u>(10,054,066)</u>
Ending Balance	<u><u>\$ 157,397,372</u></u>	<u><u>\$ 158,040,832</u></u>	<u><u>\$ 146,919,862</u></u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED MARCH 31, 2021
(expressed in United States dollars)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
Cash flows from operating activities			
(Decrease)/increase in net assets attributable to holders of investment shares after income tax	\$ (2,523,404)	\$ 5,589,129	\$ (13,372,532)
Adjustments for:			
Dividends paid to holders of investment shares	945,043	765,619	1,033,552
Net realized (gain)/loss on financial assets at fair value through profit or loss	(196,151)	(102,534)	277,545
Net change in unrealized loss/(gain) on financial assets at fair value through profit or loss	<u>2,726,092</u>	<u>(5,494,071)</u>	<u>13,099,786</u>
	951,580	758,143	1,038,351
Interest received	2,427,027	1,735,575	2,499,350
Interest paid	(1,825,443)	(1,619,221)	(1,942,635)
Proceeds from sale of investments	5,311,977	7,413,691	13,218,804
Purchase of investments	(9,657,291)	(9,371,800)	(11,178,446)
Net non-interest payments for purchase and resale agreements	1,158,463	(1,034,171)	(1,030,992)
Decrease/(increase) in other receivables	69,752	(117,731)	353,337
(Decrease)/increase in due to related parties	(749)	21,429	662
(Decrease)/increase in accrued expenses	(5,197)	9,210	(52,374)
(Decrease)/increase in balance due to brokers	(1,041,969)	1,041,969	1,134,256
(Decrease)/increase in withholding taxes payable	(19)	8	-
Increase in receivable for investments sold	<u>-</u>	<u>-</u>	<u>(1,731,122)</u>
Net cash (used in)/provided by operating activities	<u>(2,611,869)</u>	<u>(1,162,898)</u>	<u>2,309,191</u>
Cash flows from financing activities			
Proceeds from issue of investment shares	5,142,723	4,368,349	7,577,671
Proceeds from reinvested investment shares	757,767	613,465	889,603
Payments on redemption of investment shares	(3,975,485)	(2,969,571)	(9,649,257)
Dividends paid to holders of investment shares	<u>(945,043)</u>	<u>(765,619)</u>	<u>(1,033,552)</u>
Net cash provided by/(used in) financing activities	<u>979,962</u>	<u>1,246,624</u>	<u>(2,215,535)</u>
Net (decrease)/increase in cash and cash equivalents	(1,631,907)	83,726	93,656
Cash and cash equivalents at beginning of period	<u>1,763,930</u>	<u>1,680,204</u>	<u>371,856</u>
Cash and cash equivalents at end of period	<u>\$ 132,023</u>	<u>\$ 1,763,930</u>	<u>\$ 465,512</u>

SCOTIA CARIBBEAN INCOME FUND INC.
UNAUDITED NOTES TO FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2021

1. General

Scotia Caribbean Income Fund Inc. (the “Fund”) was incorporated on March 29, 2006 in Saint Lucia. The Fund is 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.

The registered office of the Fund is located at 20 Micoud Street, Castries, Saint Lucia.

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 (St. Lucia) Inc. (the “Fund Manager”). 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 is ADCO Inc. (the “Fund Administrator”), a company incorporated in Saint Lucia. 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.