

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED JUNE 30, 2021**

**SCOTIA CARIBBEAN INCOME FUND INC.**  
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**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2021**  
**(expressed in United States Dollars)**

<b><u>Assets</u></b>	<b><u>30-Jun-21</u></b>	<b><u>31-Mar-21</u></b>	<b><u>30-Jun-20</u></b>
Cash and cash equivalents	\$ 118,660	\$ 132,023	\$ 1,256,634
Securities purchased under resale agreements	17,596,594	19,873,159	19,483,003
Financial assets at fair value through profit or loss	140,924,487	138,080,479	126,158,823
Receivable for investments sold	830,386	-	-
Other receivables	136,165	57,697	132,078
Interest receivable	-	-	180,583
<b>Total assets</b>	<b><u>\$ 159,606,292</u></b>	<b><u>\$ 158,143,358</u></b>	<b><u>\$ 147,211,121</u></b>
<b><u>Equity</u></b>			
Share Capital	\$ 1,000	\$ 1,000	\$ 1,000
<b><u>Liabilities</u></b>			
Due to related parties	\$ 631,351	\$ 621,461	\$ 573,003
Balance due to brokers	505,000	-	-
Accrued expenses	73,553	73,082	83,543
Redemptions payable	8,500	50,443	257,346
Tax withholding liability	-	-	21
<b>Total Liabilities (excluding net assets attributable to holders of investment shares)</b>	<b><u>\$ 1,218,404</u></b>	<b><u>\$ 744,986</u></b>	<b><u>\$ 913,913</u></b>
<b>Net assets attributable to holders of investment shares</b>	<b><u>\$ 158,386,888</u></b>	<b><u>\$ 157,397,372</u></b>	<b><u>\$ 146,296,208</u></b>
Value per investment share based on number of shares			
Class A shares issued and outstanding as at June 30, 2021 43,211,336 (March 2021: 43,056,266; June 2020: 41,296,505)	<u>\$ 3.6652</u>	<u>\$ 3.6555</u>	<u>\$ 3.5424</u>
Class I shares issued and outstanding as at June 30, 2021 1,424 (March 2021: 1,408; June 2020: 1,364)	<u>\$ 5.0191</u>	<u>\$ 5.0057</u>	<u>\$ 4.8511</u>

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

Adrian Stokes  
Adrian Stokes  
Director

Colleen Cyrus  
Colleen Cyrus  
Director

Date : July 30, 2021

**SCOTIA CARIBBEAN INCOME FUND INC.**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

**FOR THE QUARTER ENDED JUNE 30, 2021**

**(expressed in United States dollars)**

<b><u>Investment income</u></b>	<b><u>30-Jun-21</u></b>	<b><u>31-Mar-21</u></b>	<b><u>30-Jun-20</u></b>
Interest income	\$ 1,828,474	\$ 1,823,642	\$ 1,813,360
Other income	780	1,801	2,528
Net realised gain (loss) on financial assets through profit or loss	367,051	196,151	(2,818,303)
Net change in unrealised gain (loss) in financial assets at fair value through profit or loss	<u>52,233</u>	<u>(2,726,092)</u>	<u>6,391,824</u>
<b>Net investment income (loss)</b>	<b><u>\$ 2,248,538</u></b>	<b><u>\$ (704,498)</u></b>	<b><u>\$ 5,389,409</u></b>
<b><u>Expenses</u></b>			
Management fees	\$ (631,351)	\$ (621,461)	\$ (573,003)
Trailer fees	(147,973)	(145,655)	(134,298)
Custodian & Administrator fees	(61,204)	(58,562)	(56,224)
Professional fees	(4,845)	(4,621)	(4,567)
Other expenses	<u>(44,685)</u>	<u>(43,564)</u>	<u>(32,253)</u>
<b>Total operating expenses</b>	<b><u>\$ (890,058)</u></b>	<b><u>\$ (873,863)</u></b>	<b><u>\$ (800,345)</u></b>
<b>Operating profit (loss) before finance costs</b>	<b><u>\$ 1,358,480</u></b>	<b><u>\$ (1,578,361)</u></b>	<b><u>\$ 4,589,064</u></b>
<b>Finance costs</b>			
Dividends to holders of investment shares	<u>\$ (938,773)</u>	<u>\$ (945,043)</u>	<u>\$ (1,019,364)</u>
<b>Total finance costs</b>	<b><u>\$ (938,773)</u></b>	<b><u>\$ (945,043)</u></b>	<b><u>\$ (1,019,364)</u></b>
<b>Net comprehensive income (loss) for the period</b>	<b><u>\$ 419,707</u></b>	<b><u>\$ (2,523,404)</u></b>	<b><u>\$ 3,569,700</u></b>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE QUARTER ENDED JUNE 30, 2021**  
**(expressed in United States dollars)**

	<b><u>30-Jun-21</u></b>	<b><u>31-Mar-21</u></b>	<b><u>30-Jun-20</u></b>
Beginning Balance	\$ 157,397,372	\$ 158,040,832	\$ 146,919,862
Net comprehensive income (loss) for the period	419,707	(2,523,404)	3,569,700
Subscriptions	3,714,151	5,142,723	1,668,827
Reinvestments	745,858	757,767	875,671
Redemptions	<u>(3,890,200)</u>	<u>(4,020,546)</u>	<u>(6,737,852)</u>
<b>Ending Balance</b>	<b><u>\$ 158,386,888</u></b>	<b><u>\$ 157,397,372</u></b>	<b><u>\$ 146,296,208</u></b>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED JUNE 30, 2021**  
**(expressed in United States dollars)**

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
<b>Cash flows from operating activities</b>			
Increase/(decrease) in net assets attributable to holders of investment shares after income tax	\$ 419,707	\$ (2,523,404)	\$ 3,569,700
<b>Adjustments for:</b>			
Dividends paid to holders of investment shares	938,773	945,043	1,019,364
Net realized (gain)/loss on financial assets at fair value through profit or loss	(367,051)	(196,151)	2,818,303
Net change in unrealized (gain)/loss on financial assets at fair value through profit or loss	(52,233)	2,726,092	(6,391,824)
	<u>939,196</u>	<u>951,580</u>	<u>1,015,543</u>
Interest received	1,790,241	2,427,027	1,875,697
Interest paid	(1,829,254)	(1,825,443)	(1,815,888)
Proceeds from sale of investments	4,376,400	5,311,977	14,650,302
Purchase of investments	(6,709,397)	(9,657,291)	(8,438,575)
Net non-interest payments for purchase and resale agreements	2,223,851	1,158,463	(1,607,562)
(Increase)/decrease in receivable for investments sold	(830,386)	-	1,731,122
(Increase)/decrease in other receivables	(78,468)	69,752	(28,868)
Increase/(decrease) in due to related parties	9,890	(749)	(71,771)
Increase/(decrease) in balance due to brokers	505,000	(1,041,969)	(1,134,256)
Increase/(decrease) in accrued expenses	471	(5,197)	11,735
(Decrease)/increase in withholding taxes payable	-	(19)	21
<b>Net cash provided by/(used in) operating activities</b>	<u>397,544</u>	<u>(2,611,869)</u>	<u>6,187,500</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of investment shares	3,714,151	5,142,723	1,668,827
Proceeds from reinvested investment shares	745,858	757,767	875,671
Payments on redemption of investment shares	(3,932,143)	(3,975,485)	(6,921,512)
Dividends paid to holders of investment shares	(938,773)	(945,043)	(1,019,364)
<b>Net cash (used in)/provided by financing activities</b>	<u>(410,907)</u>	<u>979,962</u>	<u>(5,396,378)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(13,363)	(1,631,907)	791,122
Cash and cash equivalents at beginning of period	<u>132,023</u>	<u>1,763,930</u>	<u>465,512</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 118,660</u>	<u>\$ 132,023</u>	<u>\$ 1,256,634</u>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED JUNE 30, 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.

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 Fund is in the process of de-registering 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 (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.