

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

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**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2020**  
**(expressed in United States Dollars)**

<b><u>Assets</u></b>	<b><u>30-Sep-20</u></b>	<b><u>30-Jun-20</u></b>	<b><u>30-Sep-19</u></b>
Cash and cash equivalents	\$ 1,680,204	\$ 1,256,634	\$ 674,959
Securities purchased under resale agreements	19,868,246	19,483,003	16,111,995
Financial assets at fair value through profit or loss	129,376,952	126,158,823	143,093,784
Interest receivable	180,583	180,583	50,946
Other receivables	<u>9,718</u>	<u>132,078</u>	<u>530,924</u>
<b>Total assets</b>	<b><u>\$ 151,115,703</u></b>	<b><u>\$ 147,211,121</u></b>	<b><u>\$ 160,462,608</u></b>
<b><u>Equity</u></b>			
Share Capital	\$ 1,000	\$ 1,000	\$ 1,000
<b><u>Liabilities</u></b>			
Due to related parties	\$ 600,781	\$ 573,003	\$ 635,496
Accrued expenses	69,069	83,543	93,303
Redemptions payable	4,042	257,346	102,429
Withholding taxes payable	<u>11</u>	<u>21</u>	<u>23,522</u>
<b>Total Liabilities (excluding net assets attributable to holders of investment shares)</b>	<b><u>\$ 673,903</u></b>	<b><u>\$ 913,913</u></b>	<b><u>\$ 854,750</u></b>
<b>Net assets attributable to holders of investment shares</b>	<b><u>\$ 150,440,800</u></b>	<b><u>\$ 146,296,208</u></b>	<b><u>\$ 159,606,858</u></b>
Value per investment share based on number of shares			
Class A shares issued and outstanding as at September 30, 2020 41,993,410 (June 2020: 41,296,505; September 2019: 42,629,373)	<u>\$ 3.5823</u>	<u>\$ 3.5424</u>	<u>\$ 3.7439</u>
Class I shares issued and outstanding as at September 30, 2020 1,380 (June 2020: 1,364; September 2019: 1,317)	<u>\$ 4.9056</u>	<u>\$ 4.8511</u>	<u>\$ 5.1274</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 : November 6, 2020

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(expressed in United States dollars)**

<b><u>Investment income</u></b>	<b><u>30-Sep-20</u></b>	<b><u>30-Jun-20</u></b>	<b><u>30-Sep-19</u></b>
Interest income	\$ 1,786,494	\$ 1,813,360	\$ 1,847,317
Other income	459	2,528	676
Net realised gain (loss) on financial assets through profit or loss	127,826	(2,818,303)	17,941
Net change in unrealised gain in financial assets at fair value through profit or loss	<u>1,516,631</u>	<u>6,391,824</u>	<u>1,451,559</u>
<b>Net investment income</b>	<b><u>\$ 3,431,410</u></b>	<b><u>\$ 5,389,409</u></b>	<b><u>\$ 3,317,493</u></b>
<b><u>Expenses</u></b>			
Management fees	\$ (600,781)	\$ (573,003)	\$ (635,496)
Trailer fees	(140,808)	(134,298)	(148,945)
Custodian & Administrator fees	(69,541)	(56,224)	(51,428)
Professional fees	(4,618)	(4,567)	(4,618)
Other expenses	<u>(60,723)</u>	<u>(32,253)</u>	<u>(29,267)</u>
<b>Total operating expenses</b>	<b><u>\$ (876,471)</u></b>	<b><u>\$ (800,345)</u></b>	<b><u>\$ (869,754)</u></b>
<b>Operating profit before finance costs</b>	<b><u>\$ 2,554,939</u></b>	<b><u>\$ 4,589,064</u></b>	<b><u>\$ 2,447,739</u></b>
<b>Finance costs</b>			
Dividends to holders of investment shares	<u>(910,539)</u>	<u>(1,019,364)</u>	<u>(975,182)</u>
<b>Total finance costs</b>	<b><u>\$ (910,539)</u></b>	<b><u>\$ (1,019,364)</u></b>	<b><u>\$ (975,182)</u></b>
<b>Net comprehensive income for the period</b>	<b><u>\$ 1,644,400</u></b>	<b><u>\$ 3,569,700</u></b>	<b><u>\$ 1,472,557</u></b>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(expressed in United States dollars)**

	<u>30-Sep-20</u>	<u>30-Jun-20</u>	<u>30-Sep-19</u>
Beginning Balance	\$ 146,296,208	\$ 146,919,862	\$ 156,301,801
Net comprehensive income for the period	1,644,400	3,569,700	1,472,557
Subscriptions	4,289,023	1,668,827	4,368,165
Reinvestments	786,715	875,671	835,934
Redemptions	<u>(2,575,546)</u>	<u>(6,737,852)</u>	<u>(3,371,599)</u>
<b>Ending Balance</b>	<b><u>\$ 150,440,800</u></b>	<b><u>\$ 146,296,208</u></b>	<b><u>\$ 159,606,858</u></b>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**(expressed in United States dollars)**

	<b><u>30-Sep-20</u></b>	<b><u>30-Jun-20</u></b>	<b><u>30-Sep-19</u></b>
<b>Cash flows from operating activities</b>			
Increase in net assets attributable to holders of investment shares after income tax	\$ 1,644,400	\$ 3,569,700	\$ 1,472,557
<b>Adjustments for:</b>			
Dividends paid to holders of investment shares	910,539	1,019,364	975,182
Net realized (gain)/loss on financial assets at fair value through profit or loss	(127,826)	2,818,303	(17,941)
Net change in unrealized gain on financial assets at fair value through profit or loss	<u>(1,516,631)</u>	<u>(6,391,824)</u>	<u>(1,451,559)</u>
	910,482	1,015,543	978,239
Interest received	2,429,146	1,875,697	2,670,341
Interest paid	(1,786,953)	(1,815,888)	(1,847,993)
Proceeds from sale of investments	4,728,703	14,650,302	12,206,290
Purchase of investments	(6,826,981)	(8,438,575)	(18,081,507)
Net non-interest payments for purchase and resale agreements	(502,830)	(1,607,562)	3,927,084
Decrease/(increase) in other receivables	122,360	(28,868)	(513,478)
Increase/(decrease) in due to related parties	27,778	(71,771)	17,992
(Decrease)/increase in accrued expenses	(14,474)	11,735	12,670
(Decrease)/increase in withholding taxes payable	(10)	21	6,448
Decrease in receivable for investments sold	-	1,731,122	-
Decrease in balance due to brokers	-	(1,134,256)	-
<b>Net cash (used in)/provided by operating activities</b>	<u>(912,779)</u>	<u>6,187,500</u>	<u>(623,914)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of investment shares	4,289,023	1,668,827	4,368,165
Proceeds from reinvested investment shares	786,715	875,671	835,934
Payments on redemption of investment shares	(2,828,850)	(6,921,512)	(3,322,451)
Dividends paid to holders of investment shares	<u>(910,539)</u>	<u>(1,019,364)</u>	<u>(975,182)</u>
<b>Net cash provided by/(used in) financing activities</b>	<u>1,336,349</u>	<u>(5,396,378)</u>	<u>906,466</u>
<b>Net increase in cash and cash equivalents</b>	423,570	791,122	282,552
Cash and cash equivalents at beginning of period	<u>1,256,634</u>	<u>465,512</u>	<u>392,407</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,680,204</u>	<u>\$ 1,256,634</u>	<u>\$ 674,959</u>

**SCOTIA CARIBBEAN INCOME FUND INC.**  
**UNAUDITED NOTES TO FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**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.