SCOTIA CARIBBEAN INCOME FUND INC. UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED DECEMBER 31, 2020

INDEX TO UNAUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED DECEMBER 31, 2020

С	O	N	T	Ε	N'	T	S

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED STATEMENT OF CASH FLOWS	4
UNAUDITED NOTES TO FINANCIAL STATEMENTS	5

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020

(expressed in United States Dollars)

<u>Assets</u>	31-Dec-20	30-Sep-20	31-Dec-19
Cash and cash equivalents	\$ 1,763,930	\$ 1,680,204	\$ 371,856
Securities purchased under resale agreements	21,029,963	19,868,246	16,663,516
Financial assets at fair value through profit or loss	136,868,349	129,376,952	145,012,219
Other receivables	127,449	9,718	456,547
Interest receivable	 	 180,583	 180,539
Total assets	\$ 159,789,691	\$ 151,115,703	\$ 162,684,677
<u>Equity</u>			
Share Capital	\$ 1,000	\$ 1,000	\$ 1,000
<u>Liabilities</u>			
Balance due to brokers	\$ 1,041,969	\$ -	\$ -
Due to related parties	622,210	600,781	644,112
Accrued expenses	78,279	69,069	124,182
Redemptions payable	5,382	4,042	36,197
Tax withholding liability	 19	 11_	
Total Liabilities (excluding net assets attributable to holders of investment shares)	\$ 1,747,859	\$ 673,903	\$ 804,491
Net assets attributable to holders of investment shares	\$ 158,040,832	\$ 150,440,800	\$ 161,879,186
Value per investment share based on number of shares Class A shares issued and outstanding as at December 31, 2020 42,543,673 (September 2020: 41,993,410; December 2019: 43,028,025)	\$ 3.7146	\$ 3.5823	\$ 3.7620
Class I shares issued and outstanding as at December 31, 2020 1,393 (September 2020: 1,380; December 2019: 1,332)	\$ 5.0871	\$ 4.9056	\$ 5.1516

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

Rhory McNamara		
Rhory McNamara		
Director		
Chester Hinkson	Date :	February 9, 2021
	Date.	rebluary 9, 202
Chester Hinkson		
Director		

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

Investment income		31-Dec-20	30-Sep-20		31-Dec-19
Interest income	\$	1,618,878	\$ 1,786,494	\$	1,894,803
Other income		343	459		4,822
Net realised gain (loss) on financial assets through profit or loss		102,534	127,826		(309,530)
Net change in unrealised gain in financial assets at fair value through profit or loss		5,494,071	 1,516,631		1,104,767
Net investment income	\$	7,215,826	\$ 3,431,410	_\$	2,694,862
<u>Expenses</u>					
Management fees	\$	(622,210)	\$ (600,781)	\$	(644,112)
Trailer fees		(145,830)	(140,808)		(150,964)
Custodian & Administrator fees		(63,612)	(69,541)		(51,700)
Professional fees		(6,087)	(4,618)		(4,617)
Other expenses		(23,339)	 (60,723)		(42,208)
Total operating expenses	\$	(861,078)	\$ (876,471)	_\$	(893,601)
Operating profit before finance costs	\$	6,354,748	\$ 2,554,939	\$	1,801,261
Finance costs Dividends to holders of investment shares	_\$	(765,619)	\$ (910,539)	_\$	(1,031,107)
Total finance costs	\$	(765,619)	\$ (910,539)	\$	(1,031,107)
Net comprehensive income for the period	\$	5,589,129	\$ 1,644,400	\$	770,154

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

FOR THE QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

		31-Dec-20	30-Sep-20	31-Dec-19
Beginning Balance	\$	150,440,800	\$ 146,296,208	\$ 159,606,858
Net comprehensive income for the period		5,589,129	1,644,400	770,154
Subscriptions		4,368,349	4,289,023	3,996,294
Reinvestments		613,465	786,715	890,860
Redemptions		(2,970,911)	 (2,575,546)	 (3,384,980)
Ending Balance	\$	158,040,832	\$ 150,440,800	\$ 161,879,186

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

Despite Cash and cash equivalents Cash and cash equi		31-Dec-20	30-Sep-20	31-Dec-19
Adjustments for: Contact of the part o	Cash flows from operating activities			
Adjustments for: Dividends paid to holders of investment shares Net realized (gain)/loss on financial assets at fair value through profit or loss Net change in unrealized gain on financial assets at fair value through profit or loss Net change in unrealized gain on financial assets at fair value through profit or loss (5,494,071) Interest received Interest received Interest received Interest paid (1,619,221) Interest paid (1,034,171) (502,830) (558,480) Interest paid (Increase)/decrease in other receivables (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (1,034,171) Increase in balance due to brokers (1,034,171) Increase in due to related parties (1,041,969) Increase in due to related parties (2,1429) Increase (decrease) in accrued expenses (1,162,898) Increase (decrease) in withholding taxes payable Ret cash used in operating activities Proceeds from financing activities Proceeds from financing activities Proceeds from issue of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities Payments on redemption of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities Payments on redemption of investment shares (765,619) (910,539) (1,031,107) Net increase/(decrease) in cash and cash equivalents Ray,266 Aug.270 Aug.281 Aug.282 Aug.283 Aug.284 Aug.283 Aug.284 Aug.283 Aug.284 Aug.285 Aug.285 Aug.285 Aug.286 Aug.286 Aug.286 Aug.286 Aug.287 Aug.286 Aug.287 Aug.286 Aug.287 Aug.286 Aug.287 Aug.286 Aug.287 Aug.286 Au				
Dividends paid to holders of investment shares 765,619 910,539 1,031,107 Net realized (gain)/loss on financial assets at fair value through profit or loss (102,534) (127,826) 309,530 Net change in unrealized gain on financial assets at fair value through profit or loss (5,494,071) (1,516,631) (1,04,767) Total trace 758,143 910,482 1,006,024 Interest received 1,735,575 2,429,146 1,925,429 Interest paid (1,619,221) (1,786,953) (1,899,625) Proceeds from sale of investments 7,413,691 4,728,703 8,204,046 Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 Increase in due to related parties 21,429 27,778 8,616 Increase//decrease) in accrued expenses 9,210 (14,474) 30,879 Increase//decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities (3,246,624) (3,256,634) (303,103) Cash and cash equivalents at beginning of period (1,680,204) (1,256,634) (303,103)	investment shares after income tax	\$ 5,589,129	\$ 1,644,400	\$ 770,154
Net realized (gain)/loss on financial assets at fair value through profit or loss Net change in unrealized gain on financial assets at fair value through profit or loss Net change in unrealized gain on financial assets at fair value through profit or loss (5,494,071) (1,516,631) (1,104,767) (758,143) 910,482 (1,006,024) Interest received Interest received Interest received Interest paid (1,619,221) (1,786,953) (1,899,625) (1,8	Adjustments for:			
value through profit or loss (102,534) (127,826) 309,530 Net change in unrealized gain on financial assets at fair value through profit or loss (5,494,071) (1,516,631) (1,104,767) T58,143 910,482 1,006,024 Interest received 1,735,575 2,429,146 1,925,429 Interest paid (1,619,221) (1,786,953) (1,899,625) Proceeds from sale of investments 7,413,691 4,728,703 8,204,046 Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 - - Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 4,368,349	Dividends paid to holders of investment shares	765,619	910,539	1,031,107
Net change in unrealized gain on financial assets at fair value through profit or loss (5,494,071) (1,516,631) (1,104,767) (758,143) 910,482 1,006,024 (1,619,241) (1,786,953) (1,899,625) (1,899,625) (1,619,221) (1,786,953) (1,899,625) (1,899,62) (1,899,625) (1,899,625) (1,899,625) (1,899,625) (1,8	Net realized (gain)/loss on financial assets at fair			
Interest received	value through profit or loss	(102,534)	(127,826)	309,530
Interest received 1,758,143 910,482 1,006,024 Interest received 1,735,575 2,429,146 1,925,429 Interest paid (1,619,221) (1,786,953) (1,899,625) Proceeds from sale of investments 7,413,691 4,728,703 8,204,046 Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Net change in unrealized gain on financial assets at			
Interest received 1,735,575 2,429,146 1,925,429 Interest paid (1,619,221) (1,786,953) (1,899,625) Proceeds from sale of investments 7,413,691 4,728,703 8,204,046 Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (1117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 - - Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) <td>fair value through profit or loss</td> <td>(5,494,071)</td> <td>(1,516,631)</td> <td>(1,104,767)</td>	fair value through profit or loss	(5,494,071)	(1,516,631)	(1,104,767)
Interest paid (1,619,221) (1,786,953) (1,899,625) Proceeds from sale of investments 7,413,691 4,728,703 8,204,046 Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in operating ataxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities (1,162,898) (912,779) (707,938) Cash flows from einvested investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (3,66,64) (3,36,349) (3,36,349) Adv. Basin Provided by financing activities (3,246,624) (3,36,349) (3,36,349) (3,36,349) Adv. Basin Provided by financing activities (3,246,624) (3,36,349) (3,36,34		758,143	910,482	1,006,024
Proceeds from sale of investments 7,413,691 4,728,703 8,204,046 Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 - - Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provid	Interest received	1,735,575	2,429,146	1,925,429
Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 - - Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net incre	Interest paid	(1,619,221)	(1,786,953)	(1,899,625)
Purchase of investments (9,371,800) (6,826,981) (9,475,682) Net non-interest payments for purchase and resale agreements (1,034,171) (502,830) (558,480) (Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 - - Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 4,368,349 4,289,023 3,996,294 Proceeds from issue of investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 83,726 423,570 (303,103) Cash and cash	Proceeds from sale of investments	7,413,691	4,728,703	8,204,046
(Increase)/decrease in other receivables (117,731) 122,360 74,377 Increase in balance due to brokers 1,041,969 - - Increase in due to related parties 21,429 27,778 8,616 Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 8 (10) (23,522) Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents a	Purchase of investments	(9,371,800)	(6,826,981)	(9,475,682)
Increase in balance due to brokers	Net non-interest payments for purchase and resale agreements	(1,034,171)	(502,830)	(558,480)
Increase in due to related parties Increase in due to related parties Increase/(decrease) in accrued expenses Increase/(decrease) in withholding taxes payable Increase/(decrease) in withholding taxes payable Net cash used in operating activities Cash flows from financing activities Proceeds from issue of investment shares Proceeds from reinvested investment shares Payments on redemption of investment shares Payments on redemption of investment shares (2,969,571) Dividends paid to holders of investment shares (765,619) Net cash provided by financing activities Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period	(Increase)/decrease in other receivables	(117,731)	122,360	74,377
Increase/(decrease) in accrued expenses 9,210 (14,474) 30,879 Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Increase in balance due to brokers	1,041,969	-	-
Increase/(decrease) in withholding taxes payable 8 (10) (23,522) Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Increase in due to related parties	21,429	27,778	8,616
Net cash used in operating activities (1,162,898) (912,779) (707,938) Cash flows from financing activities 870,000 870,000 3,996,294 Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Increase/(decrease) in accrued expenses	9,210	(14,474)	30,879
Cash flows from financing activities Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Increase/(decrease) in withholding taxes payable	8	(10)	(23,522)
Proceeds from issue of investment shares 4,368,349 4,289,023 3,996,294 Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Net cash used in operating activities	(1,162,898)	(912,779)	(707,938)
Proceeds from reinvested investment shares 613,465 786,715 890,860 Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Cash flows from financing activities			
Payments on redemption of investment shares (2,969,571) (2,828,850) (3,451,212) Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Proceeds from issue of investment shares	4,368,349	4,289,023	3,996,294
Dividends paid to holders of investment shares (765,619) (910,539) (1,031,107) Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Proceeds from reinvested investment shares	613,465	786,715	890,860
Net cash provided by financing activities 1,246,624 1,336,349 404,835 Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Payments on redemption of investment shares	(2,969,571)	(2,828,850)	(3,451,212)
Net increase/(decrease) in cash and cash equivalents 83,726 423,570 (303,103) Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Dividends paid to holders of investment shares	(765,619)	 (910,539)	 (1,031,107)
Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Net cash provided by financing activities	 1,246,624	 1,336,349	 404,835
Cash and cash equivalents at beginning of period 1,680,204 1,256,634 674,959	Net increase/(decrease) in cash and cash equivalents			
Cash and each equivalents at and of period	Sassification and and additional additional and additional addit	83,726	423,570	(303,103)
Cash and cash equivalents at end of period \$ 1,763,930 \$ 1,680,204 \$ 371,856	Cash and cash equivalents at beginning of period	 1,680,204	 1,256,634	 674,959
	Cash and cash equivalents at end of period	\$ 1,763,930	\$ 1,680,204	\$ 371,856

UNAUDITED NOTES TO FINANCIAL STATEMENTS

FOR THE QUARTER ENDED DECEMBER 31, 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.