

# **SCOTIA PREMIUM MONEY MARKET FUND**

**UNAUDITED  
FINANCIAL  
STATEMENTS**

**THREE MONTHS ENDED  
October 31, 2018**

**SCOTIA PREMIUM MONEY MARKET FUND  
STATEMENT OF COMPREHENSIVE INCOME  
(expressed in Jamaican Dollars)**

<b>Unaudited (\$000's)</b>	<b>Three months ended October 31 2018</b>	<b>Three months ended July 31 2018</b>
<b>Revenue</b>		
Interest income	132,636	163,210
Net foreign exchange (loss) gain on financial assets at amortised cost	(9,835)	25,196
<b>Total revenue</b>	<b>122,801</b>	<b>188,406</b>
<b>Expenses</b>		
Management fees	74,208	73,619
Other	9,176	8,053
<b>Total expenses</b>	<b>83,384</b>	<b>81,672</b>
<b>Profit for the period, being increase in net assets attributable to holders of redeemable units</b>	<b>39,417</b>	<b>106,734</b>

**SCOTIA PREMIUM MONEY MARKET FUND  
STATEMENT OF FINANCIAL POSITION  
(expressed in Jamaican Dollars)**

Unaudited (\$'000's)	As of October 31 2018	As of July 31 2018
<b>ASSETS</b>		
Cash	1,441,734	1,408,542
Financial assets at amortised cost	13,109,362	13,141,431
Resale agreements	2,537,742	2,499,811
Due from Fund Manager	28,461	-
<b>Total assets</b>	<b>17,117,299</b>	<b>17,049,784</b>
<b>LIABILITY</b>		
Other payables, being total liability	193,264	62,699
<b>Net assets attributable to holders of redeemable units</b>	<b>16,924,035</b>	<b>16,987,085</b>
<b>Represented by:</b>		
<b>Net assets attributable to holders of redeemable units</b>	<b>16,924,035</b>	<b>16,987,085</b>

Issuance approved and signed on December 3, 2018 on behalf of the Board of Scotia Investments Jamaica Limited by:

Lissant Mitchell

Lissant Mitchell  
Director

Barbara Alexander

Barbara Alexander  
Director

**SCOTIA PREMIUM MONEY MARKET FUND**  
**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS**  
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Three months ended October 31 2018	Three months ended July 31 2018
<b>Balance at beginning of the period</b>	16,987,085	16,600,355
Profit for the period, being increase in net assets attributable to holders of redeemable units	39,417	106,734
	17,026,502	16,707,089
Contributions and redemptions by holders of redeemable units:		
Issue of redeemable units during the period	1,312,463	1,242,536
Reinvestments	52,136	58,685
Redemption of units during the period	(1,411,902)	(914,489)
Distributions	(55,164)	(106,736)
<b>Contributions and redemptions by holders of redeemable units, net</b>	(102,467)	279,996
<b>Balance at end of the period</b>	<b>16,924,035</b>	<b>16,987,085</b>

**SCOTIA PREMIUM MONEY MARKET FUND**  
**STATEMENT OF CASH FLOWS**  
(expressed in Jamaican Dollars)

Unaudited (\$000's)	Three months ended October 31 2018	Three months ended July 31 2018
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable units	39,417	106,734
Adjustments for:		
Interest income	(132,636)	(163,210)
	(93,219)	(56,476)
<b>Changes in operating assets and liabilities</b>		
Financial assets at amortised cost	38,978	(1,492,394)
Resale agreements	(44,359)	1,258,950
Due from Fund Manager	(28,461)	-
Other payables	130,565	19,173
Proceeds from new units available for investments	1,312,463	1,242,536
Payments for units encashed	(1,411,902)	(914,489)
Proceeds from income reinvested	52,136	58,685
Income distribution	(55,164)	(106,736)
	(98,963)	9,249
Interest received	132,155	185,522
Net cash provided by operating activities, being net increase in cash	33,192	194,771
Cash at beginning of the period	1,408,542	1,213,771
<b>Cash at end of the period</b>	<b>1,441,734</b>	<b>1,408,542</b>

**SCOTIA PREMIUM MONEY MARKET FUND**  
**Notes to the Financial Statements**  
**October 31, 2018**

**1. The Scotia Premium Money Market Fund**

The Scotia Premium Money Market Fund (“Fund”) is registered in Jamaica as a unit trust scheme under the Unit Trusts Act. Effective December 1, 2016, there was a consolidation of asset management activities within Scotia Investments Jamaica Limited. Fund management services previously conducted by Scotia Asset Management (Jamaica) Limited (SAMJ), were transferred to its parent, Scotia Investments Jamaica Limited (SIJL). The Trustee of the Fund is JCSD Trustee Services Limited. Both companies are incorporated and domiciled in Jamaica. The registered office of the Fund is located at 7 Holborn Road, Kingston 10.

The Fund Manager is a wholly-owned subsidiary of Scotia Group Limited. (“Scotia Group”).

The Scotia Premium Money Market Fund is a fixed income portfolio denominated in Jamaican dollars. The investment objective of this portfolio is to provide unit holders with quarterly income, liquidity and preservation of capital.

The income of the Fund is exempt from income tax, under Section 13(t) of the Income Tax Act.

**2. Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and comply with the provisions of the Trust Deed.

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss which are stated at fair value.

New and revised standards that became effective this year did not have any material impact on the financial statements.

These financial statements are presented in Jamaican dollars, which is the Fund’s functional currency.

**3. Financial assets – classification and measurement**

The Fund has classified financial assets and liabilities into the following categories:

*Loans and receivables:*

Financial assets at amortised cost – bonds and other notes, cash, accounts receivable, due from Fund Manager and resale agreements.

*Financial liabilities at amortised cost:*

Other liabilities measured at amortised cost - due to Fund Manager and other payables.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the amount recognized and the maturity amount, minus any reduction for impairment.

**SCOTIA PREMIUM MONEY MARKET FUND**  
**Notes to the Financial Statements (continued)**  
**October 31, 2018**

**3. Financial assets – classification and measurement (continued)**

Fair Value measurement

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act.

When available, the Fund measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if the quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Fund establishes fair value using pricing models or discounted cash flow techniques or a generally accepted alternative method. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date and incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments.

The fair values of cash, accounts receivable, due to Scotia Investments Jamaica Limited and accounts payable are assumed to approximate to their carrying values, due to their short-term nature. The fair value of resale agreements is assumed to approximate their carrying value as they are subject to repricing in the short-term at market rate.

**4. Redeemable Units**

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units issued by the Fund provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at the redemption date and also in the event of the Fund's liquidation. The redeemable units are classified as financial liabilities and are measured at the present value of the redemption amounts. The number of units in issue at October 31, 2018 was 169,240,360 (at July 31, 2018: 169,870,788)

**5. Unit price/yield**

(a) The yield of the Fund for the period ended October 31, 2018 was 0.81% (July 31, 2018: 1.49%).

The calculation of yield is based on the annualised movement in unit price over the period.

(b) The price per unit as at October 31, 2018 was:

Buying/selling - \$100

The price per unit is arrived at by dividing the value of the net deposited property, less sales and fiscal charges, by the number of units in issue.

**6. Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents include notes and coins on hand, amounts due from other banks, and highly liquid financial assets with original maturities of less than three months, which are readily convertible to known amounts of cash, and are subject to insignificant risk of changes in their fair value.