SCOTIA PREMIUM US DOLLAR INDEXED FUND

UNAUDITED FINANCIAL STATEMENTS

THREE MONTHS ENDED July 31, 2017

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF COMPREHENSIVE INCOME
(expressed in Jamaican Dollars)

Unaudited ($000's)	Three months ended July 31 2017	Three months ended April 30 2017
REVENUE		
Interest:		
Financial assets at fair value through profit or loss	30,481	28,806
Financial assets at amortised cost	985	847
Foreign exchange (loss)/gain	(870)	3,014
Net revaluation gain on financial assets at fair value through profit or loss	2,223	26,340
Total revenue	**32,819**	**59,007**
Expenses		
Management fees - Scotia Investments Jamaica Limited	9,820	8,714
Other operating expenses	3,122	2,987
Total expenses	**12,942**	**11,701**
Gain for the period, being increase in net assets attributable to holders of redeemable units	**19,877**	**47,306**

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF FINANCIAL POSITION
(expressed in Jamaican Dollars)

Unaudited ($000's)	As of July 31 2017	As of April 30 2017
ASSETS		
Cash resources	16,932	26,044
Investments		
Financial assets at fair value through profit and loss	1,966,004	1,862,622
Financial assets at amortised cost	616,037	580,005
Due from Scotia Investments Jamaica Limited	1,054	3,704
Total Assets	2,600,027	2,472,375
LIABILITY		
Other payables, being total liability	6,785	7,560
Net assets attributable to holders of redeemable units	2,593,242	2,464,815
Represented by:		
Net assets attributable to holders of redeemable units	2,593,242	2,464,815

Issuance approved and signed on September 12, 2017 on behalf of the Board of Scotia Investments Jamaica Limited by:

Director

Director

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS
(expressed in Jamaican Dollars)

Unaudited ($000's)	Three months ended July 31 2017	Three months ended April 30 2017
Balance at beginning of period	2,464,815	2,338,806
Increase in net assets attributable to holders of redeemable units	19,877	47,306
Contributions and redemptions by holders of redeemable units:		
Issue of redeemable units during the period	150,745	105,268
Reinvestments	9,357	8,855
Redemption of redeemable units during the period	(37,877)	(22,471)
Distributions	(13,675)	(12,949)
Balance at end of the period	2,593,242	2,464,815

SCOTIA PREMIUM US DOLLAR INDEXED FUND
STATEMENT OF CASH FLOWS
(expressed in Jamaican Dollars)

Unaudited ($000's)	Three months ended July 31 2017	Three months ended April 30 2017
Cash flows provided by operating activities		
Increase in net assets attributable to holders of redeemable units	19,877	47,306
Changes in operating assets and liabilities		
Due from Scotia Investments Jamaica Limited	2,650	(1,235)
Other payables	(775)	1,390
Net cash provided by operating activities	21,752	47,461
Cash flows used in investing activities		
Financial assets at fair value through profit and loss	(103,382)	(92,559)
Financial assets at amortised cost	(36,032)	(87,980)
Proceeds from new units available for investments	150,745	105,268
Proceeds from income reinvested	9,357	8,855
Payments for units encashed	(37,877)	(22,471)
Income distribution	(13,675)	(12,949)
	(30,864)	(101,836)
Cash flows from operating and investing activity	(9,112)	(54,375)
Cash and cash equivalents at beginning of period	26,044	80,419
Cash and cash equivalents at end of the period	**16,932**	**26,044**
Represented by:		
Cash resources	16,932	26,044
	16,932	**26,044**

SCOTIA PREMIUM US DOLLAR INDEXED FUND
Notes to the Financial Statements
July 31, 2017

1. Identification and principal activities

The Scotia Investment Fund ("Fund"), was registered in Jamaica as a unit trust scheme under the Unit Trusts Act on July 6, 2011. The Fund is managed by Scotia Investments Jamaica Limited and the Trustee 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 is an open-ended unit trust scheme established under the relevant laws of Jamaica and is comprised of diversified portfolios of investments. The income of the Fund is exempt from income tax, under Section 13(t) of the Income Tax act.

These financial statements relate to the Scotia Investment Fund – Scotia Premium US Dollar Indexed Fund Portfolio ("the Portfolio").

The Scotia Premium US Dollar Indexed Fund is a United States Dollar indexed fixed income portfolio denominated in Jamaican dollars. The investment objective of this portfolio is to maximize total Jamaican dollar return to Unit Holders by primarily investing in a diversified mix of United States Dollar denominated fixed income instruments.

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.

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:

Financial assets at fair value through profit or loss:

Designated as at fair value through profit or loss – bonds and other notes.

Loans and receivables:

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

Financial liabilities measured at cost:

Other liabilities - 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.

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.

3. Financial assets – classification and measurement (continued)

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 incorporate 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. The fair value of Government of Jamaica securities is determined using an alternative pricing method.

All changes in fair value, other than interest and dividend income, are recognised in profit or loss.

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 July 31, 2017 was 23,821,992 (April 30, 2017: 22,712,778).

5. Unit price/yield

(a) The yield of the Fund for the three months ended July 31, 2017 was 3.80% (April 30, 2017: 3.80%).

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

(b) The price per unit as at July 31, 2017 was:

Buying/selling - $108.86 (April 30, 2017: $108.52)

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.