

SCOTIA US DOLLAR BOND FUND
(formerly Scotiabank US Dollar Bond Fund)

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2020

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(formerly Scotiabank US Dollar Bond Fund)

INDEX TO UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2020

CONTENTS

	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

SCOTIA US DOLLAR BOND FUND
(formerly Scotiabank US Dollar Bond Fund)

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2020

(expressed in United States dollars)

ASSETS

Cash and cash equivalents	\$ 2,854,548	\$ 1,933,685	\$ 183,645
Financial assets at fair value through profit or loss (Cost: \$50,587,145 (June 2020: \$48,387,145; September 2019: \$47,524,272))	54,442,569	51,429,191	49,607,279
Subscriptions receivable	496	55,021	2,879
Receivable from Manager	359	359	16,749
Interest receivable	-	-	310,601
	<u>57,297,972</u>	<u>53,418,256</u>	<u>50,121,153</u>
Total assets			

LIABILITIES

Redemptions payable	139,151	-	-
Management fee payable	30,431	28,130	43,786
Accrued expenses	28,628	28,356	48,877
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>198,210</u>	<u>56,486</u>	<u>92,663</u>
Management shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>57,098,762</u>	\$ <u>53,360,770</u>	\$ <u>50,027,490</u>

Net asset value per redeemable participating share

Class A \$51,245,362/17,018,691 shares (June 2020: \$47,416,336/15,943,560 shares; September 2019: \$43,124,791/15,179,226 shares)	\$ <u>3.01</u>	\$ <u>2.97</u>	\$ <u>2.84</u>
Class NU \$1,664,598/585,394 shares (June 2020: \$1,646,150/585,394 shares; September 2019: \$1,770,007/656,436 shares)	\$ <u>2.84</u>	\$ <u>2.81</u>	\$ <u>2.70</u>
Class IU \$4,188,184/1,261,642 shares (June 2020: \$4,297,675/1,313,089 shares; September 2019: \$5,132,115/1,650,771 shares)	\$ <u>3.32</u>	\$ <u>3.27</u>	\$ <u>3.11</u>
Class IJ JMC87,554/558 shares (June 2020: JMC85,156/558 shares; September 2019: JMC77,548/558 shares)	JMC <u>156.84</u>	JMC <u>152.54</u>	JMC <u>138.91</u>

Approved for issuance on behalf of Scotia US Dollar Bond Fund's Board of Directors by:

Farried Sulliman
Farried Sulliman
Director

Carlos Escamilla
Carlos Escamilla
Director

Date : November 9, 2020

SCOTIA US DOLLAR BOND FUND
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED SEPTEMBER 30, 2020

	<u>30-Sep-20</u>	<u>30-Jun-20</u>	<u>30-Sep-19</u>
Income			
Net realized gain on financial assets at fair value through profit or loss	\$ -	\$ 23,083	\$ 451,772
Net change in unrealized appreciation on financial assets at fair value through profit or loss	813,378	1,942,877	404,056
Interest income	-	-	327,971
	<hr/>	<hr/>	<hr/>
Total net income	813,378	1,965,960	1,183,799
Expenses			
Management fees	91,555	84,146	130,807
Other expenses	17,504	16,566	16,906
Custodian and administration fees	16,324	16,172	17,456
Professional fees	6,503	6,432	7,277
	<hr/>	<hr/>	<hr/>
Total operating expenses	131,886	123,316	172,446
Less: expenses reimbursed	-	(285)	(4,531)
	<hr/>	<hr/>	<hr/>
Net operating expenses	131,886	123,031	167,915
	<hr/>	<hr/>	<hr/>
Operating gain	681,492	1,842,929	1,015,884
	<hr/>	<hr/>	<hr/>
Increase in net assets from operations attributable to holders of redeemable participating shares	\$ 681,492	\$ 1,842,929	\$ 1,015,884
	<hr/>	<hr/>	<hr/>

SCOTIA US DOLLAR BOND FUND
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UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

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>
Shareholders' Equity			
Share Capital	\$ 116,547	\$ 106,309	\$ 102,753
Share Premium	42,077,216	39,030,954	37,988,128
Retained Earnings	14,223,507	12,380,578	10,920,725
Increase in net assets for the quarter	<u>681,492</u>	<u>1,842,929</u>	<u>1,015,884</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 57,098,762</u>	<u>\$ 53,360,770</u>	<u>\$ 50,027,490</u>

SCOTIA US DOLLAR BOND FUND
(formerly Scotiabank US Dollar Bond Fund)

UNAUDITED STATEMENT OF CASH FLOWS

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>
Cash flows from operating activities			
Interest received	\$ -	\$ -	\$ 313,755
Operating expenses paid	(129,313)	(131,108)	(135,762)
Reimbursements received from manager	-	(284)	(4,531)
Purchase of financial assets at fair value through profit or loss	(2,200,000)	-	(20,553,509)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	-	1,675,000	18,079,765
	<hr/>	<hr/>	<hr/>
Net cash (used in) provided by operating activities	(2,329,313)	1,543,608	(2,300,282)
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	4,286,082	1,815,295	4,144,453
Payments for redemption of redeemable participating shares	(1,035,906)	(901,584)	(1,789,921)
	<hr/>	<hr/>	<hr/>
Net cash provided by financing activities	3,250,176	913,711	2,354,532
Net change in cash and cash equivalents	920,863	2,457,319	54,250
Cash and cash equivalents at beginning of period	<hr/>	<hr/>	<hr/>
	1,933,685	(523,634)	129,395
Cash and cash equivalents at end of period	<hr/>	<hr/>	<hr/>
	\$ 2,854,548	\$ 1,933,685	\$ 183,645

SCOTIA US DOLLAR BOND FUND
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UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2020

1. General

Scotia US Dollar Bond Fund (formerly Scotiabank US Dollar Bond Fund) (the "Company") was incorporated in the Cayman Islands on December 21, 1992 and registered under the Mutual Fund Law (revised) of the Cayman Islands. The Company is an open ended investment company which may issue and redeem its shares at a price based on the underlying net asset value. The registered office of the Fund is located at Scotia Centre, 18 Forum Lane, 2nd Floor, Camana Bay, Grand Cayman, P.O. Box 501, KY1-1106. The Company has no employees.

2. Significant accounting policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. 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.

3. Foreign currency share classes

For the classes of shares denominated in currencies other than the functional currency of the Company, the Net Asset Values are calculated by converting the US dollar Net Asset Value per Share to the JMC equivalent using the then current rate of exchange. For the quarter ended September 30, 2020, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC	USD	141.674