

**SCOTIA US DOLLAR BOND FUND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**QUARTER ENDED MARCH 31, 2021**

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**SCOTIA US DOLLAR BOND FUND**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

**AS OF MARCH 31, 2021**

**(expressed in United States dollars)**

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 727,078	\$ 2,405,180	\$ -
Financial assets at fair value through profit or loss (Cost: \$56,337,145 (December 2020: \$53,087,145; March 2020: \$49,064,062))	58,808,785	57,550,638	50,163,231
Subscriptions receivable	496	55,041	12,796
Receivable for investments sold	-	-	975,000
Receivable from Manager	-	-	75
	<hr/>	<hr/>	<hr/>
Total assets	59,536,359	60,010,859	51,151,102
<b>LIABILITIES</b>			
Redemptions payable	39,455	2,150	-
Management fee payable	33,813	32,677	29,496
Accrued expenses	14,145	33,557	35,067
Payable for investments purchased	-	1,000,000	-
Bank overdraft	-	-	523,634
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<hr/>	<hr/>	<hr/>
	87,413	1,068,384	588,197
Management shares	<hr/>	<hr/>	<hr/>
	1,000	1,000	1,000
<b>Net assets attributable to holders of redeemable participating shares</b>	<hr/>	<hr/>	<hr/>
	\$ 59,447,946	\$ 58,941,475	\$ 50,561,905
<b>Net asset value per redeemable participating share</b>			
Class A \$53,921,308/18,411,684 shares (December 2020: \$53,446,187/17,605,860 shares; March 2020: \$44,831,825/15,624,238 shares)	<hr/>	<hr/>	<hr/>
	2.93	3.04	2.87
Class NU \$1,510,685/547,589 shares (December 2020: \$1,567,838/547,589 shares; March 2020: \$1,590,207/585,393 shares)	<hr/>	<hr/>	<hr/>
	2.76	2.86	2.72
Class IU \$4,015,349/1,239,317 shares (December 2020: \$3,926,825/1,171,275 shares; March 2020: \$4,139,287/1,313,089 shares)	<hr/>	<hr/>	<hr/>
	3.24	3.35	3.15
Class IJ JMC88.002/558 shares (December 2020: JMC88,483/558 shares March 2020: JMC79,294/558 shares)	<hr/>	<hr/>	<hr/>
	JMC 157.71	JMC 158.57	JMC 142.04

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

Farried Sulliman  
Farried Sulliman  
Director

Adrian Stokes  
Adrian Stokes  
Director

Date : May 11, 2021

**SCOTIA US DOLLAR BOND FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME**

**QUARTER ENDED MARCH 31, 2021**

**(expressed in United States dollars)**

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
<b>Income</b>			
Net realized gain on financial assets at fair value through profit or loss	\$ -	\$ -	\$ 54,317
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss	<u>(1,991,853)</u>	<u>608,069</u>	<u>1,136,210</u>
Total net (loss) income	<u>(1,991,853)</u>	<u>608,069</u>	<u>1,190,527</u>
<b>Expenses</b>			
Management fees	98,291	95,519	88,549
Other expenses	17,564	21,430	16,608
Custodian and administration fees	15,756	14,808	16,515
Professional fees	<u>6,198</u>	<u>6,503</u>	<u>6,684</u>
Total operating expenses	<u>137,809</u>	<u>138,260</u>	<u>128,356</u>
Less: expenses reimbursed	<u>-</u>	<u>(2,042)</u>	<u>(74)</u>
Net operating expenses	<u>137,809</u>	<u>136,218</u>	<u>128,282</u>
<b>Operating (loss) gain</b>	<u>(2,129,662)</u>	<u>471,851</u>	<u>1,062,245</u>
<b>(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares</b>	<u>\$ (2,129,662)</u>	<u>\$ 471,851</u>	<u>\$ 1,062,245</u>

**SCOTIA US DOLLAR BOND FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**QUARTER ENDED MARCH 31, 2021**

**(expressed in United States dollars)**

	<b><u>31-Mar-21</u></b>	<b><u>31-Dec-20</u></b>	<b><u>31-Mar-20</u></b>
<b>Shareholders' Equity</b>			
Share Capital	\$ 129,875	\$ 121,137	\$ 103,116
Share Premium	46,070,883	43,443,488	38,078,211
Retained Earnings	15,376,850	14,904,999	11,318,333
(Decrease) increase in net assets for the quarter	<u>(2,129,662)</u>	<u>471,851</u>	<u>1,062,245</u>
Net assets attributable to holders of redeemable participating shares	<b><u>\$ 59,447,946</u></b>	<b><u>\$ 58,941,475</u></b>	<b><u>\$ 50,561,905</u></b>

**SCOTIA US DOLLAR BOND FUND**

**UNAUDITED STATEMENT OF CASH FLOWS**

**QUARTER ENDED MARCH 31, 2021**

**(expressed in United States dollars)**

	<u>31-Mar-21</u>	<u>31-Dec-20</u>	<u>31-Mar-20</u>
<b>Cash flows from operating activities</b>			
Operating expenses paid	\$ (156,085)	\$ (129,043)	\$ (161,145)
Reimbursements received from manager	-	359	941
Purchase of financial assets at fair value through profit or loss	(4,250,000)	(1,500,000)	(620,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	-	-	10,036,000
	<u>(4,406,085)</u>	<u>(1,628,684)</u>	<u>9,255,796</u>
Net cash (used in) provided by operating activities			
<b>Cash flows from financing activities</b>			
Proceeds from subscriptions of redeemable participating shares	5,059,265	2,898,057	843,718
Payments for redemption of redeemable participating shares	(2,331,282)	(1,718,741)	(12,381,736)
	<u>2,727,983</u>	<u>1,179,316</u>	<u>(11,538,018)</u>
Net cash provided by (used in) financing activities			
<b>Net change in cash and cash equivalents</b>	(1,678,102)	(449,368)	(2,282,222)
<b>Cash and cash equivalents at beginning of period</b>	<u>2,405,180</u>	<u>2,854,548</u>	<u>1,758,588</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 727,078</u>	<u>\$ 2,405,180</u>	<u>\$ (523,634)</u>

**SCOTIA US DOLLAR BOND FUND**

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**QUARTER ENDED MARCH 31, 2021**

**1. General**

Scotia 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, 2<sup>nd</sup> 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 March 31, 2021, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	145.694