

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

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2021

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SCOTIA US DOLLAR BOND FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 742,641	\$ 2,405,180
Financial assets at fair value through profit or loss (Cost: \$54,153,273 (September 2021: \$54,768,599; December 2020: \$53,087,145))	57,481,338	58,270,986	57,550,638
Subscriptions receivable	<u>125,256</u>	<u>22,946</u>	<u>55,041</u>
Total assets	<u>57,606,594</u>	<u>59,036,573</u>	<u>60,010,859</u>
LIABILITIES			
Bank overdraft	423,035	-	-
Accrued expenses	44,207	43,565	33,557
Management fee payable	30,857	30,809	32,677
Redemptions payable	-	61,372	2,150
Payable for investments purchased	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>498,099</u>	<u>135,746</u>	<u>1,068,384</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>\$ 57,107,495</u>	<u>\$ 58,899,827</u>	<u>\$ 58,941,475</u>
Net asset value per redeemable participating share			
Class A \$48,172,134/16,225,127 shares (September 2021: \$50,456,017/16,913,567 shares; December 2020: \$53,446,187/17,605,860 shares)	<u>\$ 2.97</u>	<u>\$ 2.98</u>	<u>\$ 3.04</u>
Class NU \$1,452,424/521,281 shares (September 2021: \$1,488,739/531,104 shares; December 2020: \$1,567,838/547,589 shares)	<u>\$ 2.79</u>	<u>\$ 2.80</u>	<u>\$ 2.86</u>
Class IU \$7,482,320/2,266,034 shares (September 2021: \$6,954,453/2,099,856 shares; December 2020: \$3,926,825/1,171,275 shares)	<u>\$ 3.30</u>	<u>\$ 3.31</u>	<u>\$ 3.35</u>
Class IJ JMC95,008/558 shares (September 2021: JMC91,323/558 shares December 2020: JMC88,483/558 shares)	<u>JMC 170.26</u>	<u>JMC 163.66</u>	<u>JMC 158.57</u>

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

Farried Sulliman
Farried Sulliman
Director

Kiyomi Daniel
Kiyomi Daniel
Director

Date : February 11, 2022

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

QUARTER ENDED DECEMBER 31, 2021

(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
Income			
Other income	\$ 9	\$ -	-
Net realized gain on financial assets at fair value through profit or loss	34,673	-	-
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss	<u>(174,322)</u>	<u>94,734</u>	<u>608,069</u>
Total net (loss) income	<u>(139,640)</u>	<u>94,734</u>	<u>608,069</u>
Expenses			
Management fees	92,407	94,085	95,519
Other expenses	17,818	18,068	21,430
Custodian and administration fees	16,120	16,121	14,808
Professional fees	<u>6,017</u>	<u>6,017</u>	<u>6,503</u>
Total operating expenses	<u>132,362</u>	<u>134,291</u>	<u>138,260</u>
Less: expenses reimbursed	<u>-</u>	<u>-</u>	<u>(2,042)</u>
Net operating expenses	<u>132,362</u>	<u>134,291</u>	<u>136,218</u>
Operating (loss) gain	<u>(272,002)</u>	<u>(39,557)</u>	<u>471,851</u>
(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (272,002)</u>	<u>\$ (39,557)</u>	<u>\$ 471,851</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED DECEMBER 31, 2021

(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
Shareholders' Equity			
Share Capital	\$ 118,013	\$ 123,334	\$ 121,137
Share Premium	42,969,464	44,484,473	43,443,488
Retained Earnings	14,292,020	14,331,577	14,904,999
(Decrease) increase in net assets for the quarter	<u>(272,002)</u>	<u>(39,557)</u>	<u>471,851</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 57,107,495</u>	<u>\$ 58,899,827</u>	<u>\$ 58,941,475</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED DECEMBER 31, 2021

(expressed in United States dollars)

	<u>31-Dec-21</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
Cash flows from operating activities			
Other income received	\$ 9	\$ -	\$ -
Operating expenses paid	(131,672)	(119,293)	(129,043)
Reimbursements received from manager	-	-	359
Purchase of financial assets at fair value through profit or loss	-	(3,450,000)	(1,500,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	649,999	-	-
Net cash provided by (used in) operating activities	<u>518,336</u>	<u>(3,569,293)</u>	<u>(1,628,684)</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,773,365	4,244,618	2,898,057
Payments for redemption of redeemable participating shares	<u>(3,457,377)</u>	<u>(1,112,762)</u>	<u>(1,718,741)</u>
Net cash (used in) provided by financing activities	<u>(1,684,012)</u>	<u>3,131,856</u>	<u>1,179,316</u>
Net change in cash and cash equivalents	(1,165,676)	(437,437)	(449,368)
Cash and cash equivalents at beginning of period	<u>742,641</u>	<u>1,180,078</u>	<u>2,854,548</u>
Cash and cash equivalents at end of period	<u>\$ (423,035)</u>	<u>\$ 742,641</u>	<u>\$ 2,405,180</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 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, 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 December 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	154.031