

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2022

SCOTIA US DOLLAR BOND FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED MARCH 31, 2022

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SCOTIA US DOLLAR BOND FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2022
(expressed in United States dollars)

| | <u>31-Mar-22</u> | <u>31-Dec-21</u> | <u>31-Mar-21</u> |
|---|----------------------|----------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 727,078 |
| Financial assets at fair value through profit or loss (Cost: \$50,756,011 (December 2021: \$54,153,273; March 2021: \$56,337,145)) | 50,301,528 | 57,481,338 | 58,808,785 |
| Subscriptions receivable | 8,496 | 125,256 | 496 |
| Receivable from Manager | 187 | - | - |
| | <u>50,310,211</u> | <u>57,606,594</u> | <u>59,536,359</u> |
| LIABILITIES | | | |
| Bank overdraft | 416,333 | 423,035 | - |
| Management fee payable | 26,897 | 30,857 | 33,813 |
| Accrued expenses | 26,369 | 44,207 | 14,145 |
| Redemptions payable | 4,190 | - | 39,455 |
| Liabilities (excluding net assets attributable to holders of redeemable participating shares) | <u>473,789</u> | <u>498,099</u> | <u>87,413</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>\$ 49,835,422</u> | <u>\$ 57,107,495</u> | <u>\$ 59,447,946</u> |
| Net asset value per redeemable participating share | | | |
| Class A | | | |
| \$41,458,561/14,993,645 shares (December 2021: \$48,172,134/16,225,127 shares; March 2021: \$53,921,308/18,411,684 shares) | <u>\$ 2.77</u> | <u>\$ 2.97</u> | <u>\$ 2.93</u> |
| Class NU | | | |
| \$1,395,839/538,582 shares (December 2021: \$1,452,424/521,281 shares; March 2021: \$1,510,685/547,589 shares) | <u>\$ 2.59</u> | <u>\$ 2.79</u> | <u>\$ 2.76</u> |
| Class IU | | | |
| \$6,980,446/2,266,034 shares (December 2021: \$7,482,320/2,266,034 shares; March 2021: \$4,015,349/1,239,317 shares) | <u>\$ 3.08</u> | <u>\$ 3.30</u> | <u>\$ 3.24</u> |
| Class IJ | | | |
| JMC88,402/558 shares (December 2021: JMC95,008/558 shares March 2021: JMC88,002/558 shares) | <u>JMC 158.43</u> | <u>JMC 170.26</u> | <u>JMC 157.71</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 : May 12, 2022

SCOTIA US DOLLAR BOND FUND
UNAUDITED STATEMENT OF COMPREHENSIVE LOSS
QUARTER ENDED MARCH 31, 2022
(expressed in United States dollars)

| | <u>31-Mar-22</u> | <u>31-Dec-21</u> | <u>31-Mar-21</u> |
|--|-----------------------|---------------------|-----------------------|
| Income | | | |
| Other income | \$ - | \$ 9 | \$ - |
| Net realized gain on financial assets at fair value through profit or loss | 102,738 | 34,673 | - |
| Net change in unrealized depreciation on financial assets at fair value through profit or loss | <u>(3,782,548)</u> | <u>(174,322)</u> | <u>(1,991,853)</u> |
| Total net loss | <u>(3,679,810)</u> | <u>(139,640)</u> | <u>(1,991,853)</u> |
| Expenses | | | |
| Management fees | 81,561 | 92,407 | 98,291 |
| Other expenses | 24,228 | 17,818 | 17,564 |
| Custodian and administration fees | 15,770 | 16,120 | 15,756 |
| Professional fees | <u>5,886</u> | <u>6,017</u> | <u>6,198</u> |
| Total operating expenses | <u>127,445</u> | <u>132,362</u> | <u>137,809</u> |
| Less: expenses reimbursed | <u>(187)</u> | <u>-</u> | <u>-</u> |
| Net operating expenses | <u>127,258</u> | <u>132,362</u> | <u>137,809</u> |
| Operating loss | <u>(3,807,068)</u> | <u>(272,002)</u> | <u>(2,129,662)</u> |
| Decrease in net assets from operations attributable to holders of redeemable participating shares | <u>\$ (3,807,068)</u> | <u>\$ (272,002)</u> | <u>\$ (2,129,662)</u> |

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED MARCH 31, 2022

(expressed in United States dollars)

| | <u>31-Mar-22</u> | <u>31-Dec-21</u> | <u>31-Mar-21</u> |
|---|-------------------------|-------------------------|-------------------------|
| Shareholders' Equity | | | |
| Share Capital | \$ 105,872 | \$ 118,013 | \$ 129,875 |
| Share Premium | 39,516,600 | 42,969,464 | 46,070,883 |
| Retained Earnings | 14,020,018 | 14,292,020 | 15,376,850 |
| Decrease in net assets for the quarter | <u>(3,807,068)</u> | <u>(272,002)</u> | <u>(2,129,662)</u> |
| Net assets attributable to holders of redeemable participating shares | <u>\$ 49,835,422</u> | <u>\$ 57,107,495</u> | <u>\$ 59,447,946</u> |

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED MARCH 31, 2022

(expressed in United States dollars)

| | <u>31-Mar-22</u> | <u>31-Dec-21</u> | <u>31-Mar-21</u> |
|--|-------------------------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Other income received | \$ - | \$ 9 | \$ - |
| Operating expenses paid | (149,243) | (131,672) | (156,085) |
| Purchase of financial assets at fair value through profit or loss | - | - | (4,250,000) |
| Proceeds from sale and maturity of financial assets at fair value through profit or loss | <u>3,500,000</u> | <u>649,999</u> | <u>-</u> |
| Net cash provided by (used in) operating activities | <u>3,350,757</u> | <u>518,336</u> | <u>(4,406,085)</u> |
| Cash flows from financing activities | | | |
| Proceeds from subscriptions of redeemable participating shares | 859,032 | 1,773,365 | 5,059,265 |
| Payments for redemption of redeemable participating shares | <u>(4,203,087)</u> | <u>(3,457,377)</u> | <u>(2,331,282)</u> |
| Net cash (used in) provided by financing activities | <u>(3,344,055)</u> | <u>(1,684,012)</u> | <u>2,727,983</u> |
| Net change in cash and cash equivalents | 6,702 | (1,165,676) | (1,678,102) |
| Cash and cash equivalents at beginning of period | <u>(423,035)</u> | <u>742,641</u> | <u>2,405,180</u> |
| Cash and cash equivalents at end of period | <u>\$ (416,333)</u> | <u>\$ (423,035)</u> | <u>\$ 727,078</u> |

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2022

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 March 31, 2022, the current rate of exchange is:

| <u>Share Class</u> | <u>Currency</u> | <u>Functional Currency</u> | <u>Exchange Rate</u> |
|--------------------|-----------------|----------------------------|----------------------|
| JMC | | USD | 153.510 |