

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

**UNAUDITED FINANCIAL STATEMENTS**

**QUARTER ENDED MARCH 31, 2020**

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

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**QUARTER ENDED MARCH 31, 2020**

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

**AS OF MARCH 31, 2020**

**(expressed in United States dollars)**

	<u>31-Mar-20</u>	<u>31-Dec-19</u>	<u>31-Mar-19</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,758,588	\$ 1,515,322
Financial assets at fair value through profit or loss (Cost: \$49,064,062 (December 2019: \$59,400,745; March 2019: \$43,265,738))	50,163,231	59,363,704	43,967,633
Receivables for investments sold	975,000	-	-
Subscriptions receivable	12,796	496	496
Receivable from Manager	75	1,016	6,482
Interest receivable	-	-	310,682
	<hr/>	<hr/>	<hr/>
Total assets	51,151,102	61,123,804	45,800,615
<b>LIABILITIES</b>			
Bank overdraft	523,634	-	-
Accrued expenses	35,067	67,271	30,483
Management fee payable	29,496	30,155	41,898
Redemptions payable	-	10,000	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<hr/>	<hr/>	<hr/>
	588,197	107,426	72,381
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/>
	\$ 50,561,905	\$ 61,015,378	\$ 45,727,234
Net asset value per redeemable participating share			
Class A \$44,831,825/15,624,238 shares (December 2019: \$48,296,233/17,206,043 shares; March 2019: \$38,914,425/14,422,302 shares)	<hr/>	<hr/>	<hr/>
	\$ 2.87	\$ 2.81	\$ 2.70
Class NU \$1,590,207/585,393 shares (December 2019: \$1,557,534/585,393 shares; March 2019: \$1,966,180/765,867 shares)	<hr/>	<hr/>	<hr/>
	\$ 2.72	\$ 2.66	\$ 2.57
Class IU \$4,139,287/1,313,089 shares (December 2019: \$11,161,039/3,625,688 shares; March 2019: \$4,846,087/1,650,771 shares)	<hr/>	<hr/>	<hr/>
	\$ 3.15	\$ 3.08	\$ 2.94
Class IJ JMC79,294/558 shares (December 2019: JMC75,767/558 shares; March 2019: JMC68,442/558 shares)	<hr/>	<hr/>	<hr/>
	JMC 142.04	JMC 135.72	JMC 122.60

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 : May 11, 2020

**SCOTIA US DOLLAR BOND FUND**  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

**QUARTER ENDED MARCH 31, 2020**

**(expressed in United States dollars)**

	<u>31-Mar-20</u>	<u>31-Dec-19</u>	<u>31-Mar-19</u>
<b>Income</b>			
Net realized gain financial assets at fair value through profit or loss	\$ 54,317	\$ 1,555,908	\$ 63,041
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	1,136,210	(2,120,048)	1,072,113
Interest income	-	93,786	344,766
Other income	-	-	16,765
	<u>1,190,527</u>	<u>(470,354)</u>	<u>1,496,685</u>
<b>Expenses</b>			
Management fees	88,549	106,794	121,353
Other expenses	16,608	17,405	16,853
Custodian and administration fees	16,515	17,456	17,064
Professional fees	6,684	7,278	7,125
	<u>128,356</u>	<u>148,933</u>	<u>162,395</u>
Total operating expenses	<u>128,356</u>	<u>148,933</u>	<u>162,395</u>
Less: expenses reimbursed	<u>(74)</u>	<u>(1,011)</u>	<u>(6,324)</u>
Net operating expenses	<u>128,282</u>	<u>147,922</u>	<u>156,071</u>
<b>Operating gain (loss)</b>	<u>1,062,245</u>	<u>(618,276)</u>	<u>1,340,614</u>
<b>Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares</b>	<u>\$ 1,062,245</u>	<u>\$ (618,276)</u>	<u>\$ 1,340,614</u>

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

**QUARTER ENDED MARCH 31, 2020**

**(expressed in United States dollars)**

	<u>31-Mar-20</u>	<u>31-Dec-19</u>	<u>31-Mar-19</u>
<b>Shareholders' Equity</b>			
Share Capital	\$ 103,116	\$ 142,060	\$ 96,278
Share Premium	38,078,211	49,554,985	36,117,302
Retained Earnings	11,318,333	11,936,609	8,173,040
Increase (decrease) in net assets for the quarter	<u>1,062,245</u>	<u>(618,276)</u>	<u>1,340,614</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 50,561,905</u>	<u>\$ 61,015,378</u>	<u>\$ 45,727,234</u>

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

**UNAUDITED STATEMENT OF CASH FLOWS**

**QUARTER ENDED MARCH 31, 2020**

**(expressed in United States dollars)**

	<b><u>31-Mar-20</u></b>	<b><u>31-Dec-19</u></b>	<b><u>31-Mar-19</u></b>
<b>Cash flows from operating activities</b>			
Interest received	\$ -	\$ 395,669	\$ 248,791
Other income received	-	-	16,765
Operating expenses paid	(161,145)	(143,159)	(152,600)
Reimbursements received from manager	941	15,733	(6,324)
Purchase of financial assets at fair value through profit or loss	(620,000)	(89,408,469)	(24,328,775)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	<u>10,036,000</u>	<u>79,096,622</u>	<u>25,130,304</u>
Net cash provided by (used in) operating activities	<u>9,255,796</u>	<u>(10,043,604)</u>	<u>908,161</u>
<b>Cash flows from financing activities</b>			
Proceeds from subscriptions of redeemable participating shares	843,718	13,280,245	574,285
Payments for redemption of redeemable participating shares	<u>(12,381,736)</u>	<u>(1,661,698)</u>	<u>(890,329)</u>
Net cash (used in) provided by financing activities	<u>(11,538,018)</u>	<u>11,618,547</u>	<u>(316,044)</u>
<b>Net change in cash and cash equivalents</b>	(2,282,222)	1,574,943	592,117
<b>Cash and cash equivalents at beginning of period</b>	<u>1,758,588</u>	<u>183,645</u>	<u>923,205</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ (523,634)</u>	<u>\$ 1,758,588</u>	<u>\$ 1,515,322</u>

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

**UNAUDITED NOTES TO FINANCIAL STATEMENTS**

**QUARTER ENDED MARCH 31, 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, 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, 2020, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	135.332