

SCOTIABANK US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2019

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
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SCOTIABANK US DOLLAR BOND FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019
(expressed in United States dollars)

	<u>30-Sep-19</u>	<u>30-Jun-19</u>	<u>30-Sep-18</u>
ASSETS			
Cash and cash equivalents	\$ 183,645	\$ 129,395	\$ 1,254,806
Financial assets at fair value through profit or loss (Amortized cost: \$47,524,272 (June 2019: \$44,538,411; September 2018: \$58,942,962))	49,607,279	46,217,362	57,693,993
Interest receivable	310,601	322,293	378,831
Receivable from Manager	16,749	12,218	-
Subscriptions receivable	2,879	60,333	9,455
Receivables for investments sold	-	391,436	-
	<u>50,121,153</u>	<u>47,133,037</u>	<u>59,337,085</u>
LIABILITIES			
Accrued expenses	48,877	18,982	34,663
Management fee payable	43,786	41,528	40,709
Payable for investments purchased	-	356,999	-
Redemptions payable	-	2,808	3,168
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>92,663</u>	<u>420,317</u>	<u>78,540</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>\$ 50,027,490</u>	<u>\$ 46,711,720</u>	<u>\$ 59,257,545</u>
Net asset value per redeemable participating share			
Class A \$43,124,791/15,179,226 shares (June 2019: \$39,822,683/14,316,764 shares; September 2018: \$38,643,391/14,938,013 shares)	<u>\$ 2.84</u>	<u>\$ 2.78</u>	<u>\$ 2.59</u>
Class NU \$1,770,007/656,436 shares (June 2019: \$1,878,469/710,667 shares; September 2018: \$1,929,478/781,955 shares)	<u>\$ 2.70</u>	<u>\$ 2.64</u>	<u>\$ 2.47</u>
Class IU \$5,132,115/1,650,771 shares (June 2019: \$5,010,007/1,650,771 shares; September 2018: \$18,684,158/6,676,983 shares)	<u>\$ 3.11</u>	<u>\$ 3.04</u>	<u>\$ 2.80</u>
Class IJ JMC77,548/558 shares (June 2019: JMC73,385/558 shares; September 2018: JMC69,582/558 shares)	JMC <u>138.91</u>	JMC <u>131.46</u>	JMC <u>124.64</u>

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

Farried Sulliman
Farried Sulliman
Director

Dwight Burrows
Dwight Burrows
Director

Date : November 8, 2019

SCOTIABANK US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED SEPTEMBER 30, 2019

(expressed in United States dollars)

	<u>30-Sep-19</u>	<u>30-Jun-19</u>	<u>30-Sep-18</u>
Income			
Interest income	\$ 327,971	\$ 337,405	\$ 422,640
Other income	-	8,671	-
Net realized gain (loss) financial assets at fair value through profit or loss	451,772	243,944	(265,148)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	<u>404,056</u>	<u>977,056</u>	<u>(128,461)</u>
Total net income	<u>1,183,799</u>	<u>1,567,076</u>	<u>29,031</u>
Expenses			
Management fees	130,807	124,554	134,118
Custodian and administration fees	17,456	17,266	17,847
Other expenses	16,906	16,723	17,312
Professional fees	<u>7,277</u>	<u>7,198</u>	<u>5,841</u>
Total operating expenses	<u>172,446</u>	<u>165,741</u>	<u>175,118</u>
Less: expenses reimbursed	<u>(4,531)</u>	<u>(5,736)</u>	<u>-</u>
Net operating expenses	<u>167,915</u>	<u>160,005</u>	<u>175,118</u>
Operating gain (loss)	<u>1,015,884</u>	<u>1,407,071</u>	<u>(146,087)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,015,884</u>	<u>\$ 1,407,071</u>	<u>\$ (146,087)</u>

SCOTIABANK US DOLLAR BOND FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS
QUARTER ENDED SEPTEMBER 30, 2019
(expressed in United States dollars)

	<u>30-Sep-19</u>	<u>30-Jun-19</u>	<u>30-Sep-18</u>
Shareholders' Equity			
Share Capital	\$ 102,753	\$ 94,671	\$ 151,858
Share Premium	37,988,128	35,696,324	51,390,286
Retained Earnings	10,920,725	9,513,654	7,861,488
Increase (decrease) in net assets for the quarter	<u>1,015,884</u>	<u>1,407,071</u>	<u>(146,087)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 50,027,490</u>	<u>\$ 46,711,720</u>	<u>\$ 59,257,545</u>

SCOTIABANK US DOLLAR BOND FUND
UNAUDITED STATEMENT OF CASH FLOWS
QUARTER ENDED SEPTEMBER 30, 2019
(expressed in United States dollars)

	<u>30-Sep-19</u>	<u>30-Jun-19</u>	<u>30-Sep-18</u>
Cash flows from operating activities			
Interest received	\$ 313,755	\$ 286,187	\$ 598,929
Other income received	-	8,671	-
Operating expenses paid	(135,762)	(171,876)	(170,840)
Reimbursements received from manager	(4,531)	(5,736)	-
Purchase of financial assets at fair value through profit or loss	(20,553,509)	(19,110,667)	(15,735,929)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	18,079,765	18,087,108	21,807,412
	<u>(2,300,282)</u>	<u>(906,313)</u>	<u>6,499,572</u>
Net cash (used in) provided by operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	4,144,453	430,917	878,313
Payments for redemption of redeemable participating shares	(1,789,921)	(910,531)	(6,888,025)
	<u>2,354,532</u>	<u>(479,614)</u>	<u>(6,009,712)</u>
Net cash provided by (used in) financing activities			
Net change in cash and cash equivalents	54,250	(1,385,927)	489,860
Cash and cash equivalents at beginning of period	<u>129,395</u>	<u>1,515,322</u>	<u>764,946</u>
Cash and cash equivalents at end of period	<u>\$ 183,645</u>	<u>\$ 129,395</u>	<u>\$ 1,254,806</u>

SCOTIABANK US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED SEPTEMBER 30, 2019

1. General

Scotiabank US Dollar Bond Fund (the "Company") was incorporated in the Cayman Islands on December 21, 1992 and registered under the Mutual Fund Law 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 the offices of Scotiabank & Trust (Cayman) Ltd., 18 Forum Lane, Camana Bay, P.O. Box 501, Grand Cayman, 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, 2019, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	134.458