

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED SEPTEMBER 30, 2022

SCOTIA US DOLLAR BOND FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
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SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Financial assets at fair value through profit or loss (Cost: \$42,391,531 (December 2021: \$54,153,273))	\$ 37,600,243	\$ 57,481,338
Receivable for investments sold	2,000,000	-
Subscriptions receivable	64,451	125,256
Receivable from Manager	9,498	-
	<u>39,674,192</u>	<u>57,606,594</u>
LIABILITIES		
Bank overdraft	1,809,906	423,035
Accrued expenses	42,967	44,207
Management fee payable	20,993	30,857
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>1,873,866</u>	<u>498,099</u>
Management shares	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	\$ <u>37,799,326</u>	\$ <u>57,107,495</u>
Net asset value per redeemable participating share		
Class A \$31,317,706/12,721,892 shares (December 2021: \$48,172,134/16,225,127 shares)	\$ <u>2.46</u>	\$ <u>2.97</u>
Class NU \$1,213,804/527,379 shares (December 2021: \$1,452,424/521,281 shares)	\$ <u>2.30</u>	\$ <u>2.79</u>
Class IU \$5,267,301/1,914,343 shares (December 2021: \$7,482,320/2,266,034 shares)	\$ <u>2.75</u>	\$ <u>3.30</u>
Class IJ JMC78,335/558 shares (December 2021: JMC95,008/558 shares)	JMC <u>140.39</u>	JMC <u>170.26</u>

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

Farried Sulliman
Farried Sulliman
Director

Sarah Hobbs
Sarah Hobbs
Director

Date : November 9, 2022

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE LOSS

(expressed in United States dollars)

	For the three month periods ended		For the nine month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Income				
Net realized (loss) gain on financial assets at fair value through profit or loss	\$ (472,342)	\$ -	\$ (561,742)	\$ 281,455
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss	(1,209,764)	94,734	(8,119,353)	(961,106)
Total net (loss) income	(1,682,106)	94,734	(8,681,095)	(679,651)
Expenses				
Management fees	67,346	94,085	220,944	285,934
Other expenses	17,094	18,068	58,698	53,257
Custodian and administration fees	19,547	16,121	51,262	47,822
Professional fees	(6,094)	6,017	5,743	18,166
Total operating expenses	97,893	134,291	336,647	405,179
Less: expenses reimbursed	(6,289)	-	(9,498)	-
Net operating expenses	91,604	134,291	327,149	405,179
Operating loss	(1,773,710)	(39,557)	(9,008,244)	(1,084,830)
Decrease in net assets from operations attributable to holders of redeemable participating shares	\$ (1,773,710)	\$ (39,557)	\$ (9,008,244)	\$ (1,084,830)

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	For the nine month periods ended	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Shareholders' Equity		
Share Capital	\$ 79,525	\$ 123,334
Share Premium	32,708,027	44,484,473
Retained Earnings	14,020,018	15,376,850
Decrease in net assets for the period	<u>(9,008,244)</u>	<u>(1,084,830)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 37,799,326</u>	<u>\$ 58,899,827</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	For the nine month periods ended	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Cash flows from operating activities		
Operating expenses paid	\$ (347,751)	\$ (397,039)
Purchase of financial assets at fair value through profit or loss	(800,000)	(7,700,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	<u>10,000,000</u>	<u>5,300,001</u>
Net cash provided by (used in) operating activities	<u>8,852,249</u>	<u>(2,797,038)</u>
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	1,703,216	11,729,019
Payments for redemption of redeemable participating shares	<u>(11,942,336)</u>	<u>(10,594,520)</u>
Net cash (used in) provided by financing activities	<u>(10,239,120)</u>	<u>1,134,499</u>
Net change in cash and cash equivalents	(1,386,871)	(1,662,539)
(Bank overdraft) cash and cash equivalents at beginning of period	<u>(423,035)</u>	<u>2,405,180</u>
(Bank overdraft) cash and cash equivalents at end of period	<u>\$ (1,809,906)</u>	<u>\$ 742,641</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 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 period ended September 30, 2022, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
	JMC	USD	152.065