

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2023

SCOTIA US DOLLAR BOND FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2023

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SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash and cash equivalents	\$ 358,267	\$ 284,103
Financial assets at fair value through profit or loss (Cost: \$37,020,450 (December 2022: \$39,086,375))	35,561,553	35,335,810
Receivable from Manager	13,717	10,805
Subscriptions receivable	<u>496</u>	<u>21,896</u>
Total assets	<u>35,934,033</u>	<u>35,652,614</u>
LIABILITIES		
Accrued expenses	53,467	48,992
Management fee payable	<u>18,249</u>	<u>18,634</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>71,716</u>	<u>67,626</u>
Management shares	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,861,317</u>	<u>\$ 35,583,988</u>
Net asset value per redeemable participating share		
Class A \$28,993,717/11,039,753 shares (December 2022: \$29,002,340/11,594,320 shares)	<u>\$ 2.63</u>	<u>\$ 2.50</u>
Class NU \$1,266,395/518,986 shares (December 2022: \$1,221,274/522,860 shares)	<u>\$ 2.44</u>	<u>\$ 2.34</u>
Class IU \$5,601,205/1,894,718 shares (December 2022: \$5,359,849/1,914,343 shares)	<u>\$ 2.96</u>	<u>\$ 2.80</u>
Class IJ JMC000/000 shares (December 2022: JMC79,577/558 shares)	JMC <u>-</u>	JMC <u>142.61</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 : February 7, 2024

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	<u>For the three month periods ended</u>		<u>Year ended</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Income				
Net realized loss on financial assets at fair value through profit or loss and foreign currencies	\$ (132,776)	\$ (405,156)	\$ (229,927)	\$ (966,898)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	2,460,435	1,040,723	2,291,668	(7,078,630)
Total net income (loss)	<u>2,327,659</u>	<u>635,567</u>	<u>2,061,741</u>	<u>(8,045,528)</u>
Expenses				
Management fees	52,939	56,207	215,563	277,151
Custodian and administration fees	16,401	13,863	63,762	65,125
Other expenses	9,901	20,197	57,924	78,895
Professional fees	16,126	5,520	38,040	11,263
Total operating expenses	<u>95,367</u>	<u>95,787</u>	<u>375,289</u>	<u>432,434</u>
Less: expenses reimbursed	<u>(13,717)</u>	<u>(10,803)</u>	<u>(43,208)</u>	<u>(20,301)</u>
Net operating expenses	<u>81,650</u>	<u>84,984</u>	<u>332,081</u>	<u>412,133</u>
Operating profit (loss)	<u>2,246,009</u>	<u>550,583</u>	<u>1,729,660</u>	<u>(8,457,661)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	\$ <u>2,246,009</u>	\$ <u>550,583</u>	\$ <u>1,729,660</u>	\$ <u>(8,457,661)</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Shareholders' Equity		
Share Capital	\$ 62,418	\$ 68,204
Share Premium	28,506,882	29,953,427
Retained Earnings	5,562,357	14,020,018
Increase (decrease) in net assets for the period	<u>1,729,660</u>	<u>(8,457,661)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,861,317</u>	<u>\$ 35,583,988</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash flows from operating activities		
Operating expenses paid	\$ (371,199)	\$ (439,872)
Reimbursements received from manager	40,296	9,496
Purchase of financial assets at fair value through profit or loss	(900,000)	(1,200,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	2,735,998	15,300,000
	<u>1,505,095</u>	<u>13,669,624</u>
Net cash provided by operating activities		
	<u>1,505,095</u>	<u>13,669,624</u>
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	1,603,829	2,864,770
Payments for redemption of redeemable participating shares	(3,034,760)	(15,827,256)
	<u>(1,430,931)</u>	<u>(12,962,486)</u>
Net cash used in financing activities		
	<u>(1,430,931)</u>	<u>(12,962,486)</u>
Net change in cash and cash equivalents	74,164	707,138
Cash and cash equivalents (bank overdraft) at beginning of period	<u>284,103</u>	<u>(423,035)</u>
Cash and cash equivalents at end of period	<u>\$ 358,267</u>	<u>\$ 284,103</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2023

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 December 31, 2023, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC	USD	154.410