

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

UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2020

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(formerly Scotiabank US Dollar Bond Fund)

INDEX TO UNAUDITED FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2020

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2020

(expressed in United States dollars)

	<u>30-Jun-20</u>	<u>31-Mar-20</u>	<u>30-Jun-19</u>
ASSETS			
Cash and cash equivalents	\$ 1,933,685	\$ -	\$ 129,395
Financial assets at fair value through profit or loss (Cost: \$48,387,145 (March 2020: \$49,064,062; June 2019: \$44,538,411))	51,429,191	50,163,231	46,217,362
Subscriptions receivable	55,021	12,796	60,333
Receivable from Manager	359	75	12,218
Receivables for investments sold	-	975,000	391,436
Interest receivable	-	-	322,293
	<hr/>	<hr/>	<hr/>
Total assets	<u>53,418,256</u>	<u>51,151,102</u>	<u>47,133,037</u>
LIABILITIES			
Accrued expenses	28,356	35,067	18,982
Management fee payable	28,130	29,496	41,528
Bank overdraft	-	523,634	-
Payable for investments purchased	-	-	356,999
Redemptions payable	-	-	2,808
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<hr/>	<hr/>	<hr/>
	56,486	588,197	420,317
Management shares	<hr/>	<hr/>	<hr/>
	1,000	1,000	1,000
Net assets attributable to holders of redeemable participating shares	<hr/> <u>\$ 53,360,770</u>	<hr/> <u>\$ 50,561,905</u>	<hr/> <u>\$ 46,711,720</u>
Net asset value per redeemable participating share			
Class A \$47,416,336/15,943,560 shares (March 2020: \$44,831,825/15,624,238 shares; June 2019: \$39,822,683/14,316,764 shares)	<hr/> <u>\$ 2.97</u>	<hr/> <u>\$ 2.87</u>	<hr/> <u>\$ 2.78</u>
Class NU \$1,646,150/585,394 shares (March 2020: \$1,590,207/585,393 shares; June 2019: \$1,878,469/710,667 shares)	<hr/> <u>\$ 2.81</u>	<hr/> <u>\$ 2.72</u>	<hr/> <u>\$ 2.64</u>
Class IU \$4,297,675/1,313,089 shares (March 2020: \$4,139,287/1,313,089 shares; June 2019: \$5,010,007/1,650,771 shares)	<hr/> <u>\$ 3.27</u>	<hr/> <u>\$ 3.15</u>	<hr/> <u>\$ 3.04</u>
Class J JMC609/558 shares (March 2020: JMC79,294/558 shares; June 2019: JMC73,385/558 shares)	<hr/> <u>JMC 152.54</u>	<hr/> <u>JMC 142.04</u>	<hr/> <u>JMC 131.46</u>

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 : August 11, 2020

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

QUARTER ENDED JUNE 30, 2020

(expressed in United States dollars)

	<u>30-Jun-20</u>	<u>31-Mar-20</u>	<u>30-Jun-19</u>
Income			
Net realized gain on financial assets at fair value through profit or loss	\$ 23,083	\$ 54,317	\$ 243,944
Net change in unrealized appreciation on financial assets at fair value through profit or loss	1,942,877	1,136,210	977,056
Interest income	-	-	337,405
Other income	-	-	8,671
	<hr/>	<hr/>	<hr/>
Total net income	1,965,960	1,190,527	1,567,076
Expenses			
Management fees	84,146	88,549	124,554
Other expenses	16,566	16,608	16,723
Custodian and administration fees	16,172	16,515	17,266
Professional fees	6,432	6,684	7,198
	<hr/>	<hr/>	<hr/>
Total operating expenses	123,316	128,356	165,741
Less: expenses reimbursed	(285)	(74)	(5,736)
	<hr/>	<hr/>	<hr/>
Net operating expenses	123,031	128,282	160,005
	<hr/>	<hr/>	<hr/>
Operating gain	1,842,929	1,062,245	1,407,071
	<hr/>	<hr/>	<hr/>
Increase in net assets from operations attributable to holders of redeemable participating shares	\$ 1,842,929	\$ 1,062,245	\$ 1,407,071
	<hr/>	<hr/>	<hr/>

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

QUARTER ENDED JUNE 30, 2020

(expressed in United States dollars)

	<u>30-Jun-20</u>	<u>31-Mar-20</u>	<u>30-Jun-19</u>
Shareholders' Equity			
Share Capital	\$ 106,309	\$ 103,116	\$ 94,671
Share Premium	39,030,954	38,078,211	35,696,324
Retained Earnings	12,380,578	11,318,333	9,513,654
Increase in net assets for the quarter	<u>1,842,929</u>	<u>1,062,245</u>	<u>1,407,071</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 53,360,770</u>	<u>\$ 50,561,905</u>	<u>\$ 46,711,720</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED JUNE 30, 2020

(expressed in United States dollars)

	<u>30-Jun-20</u>	<u>31-Mar-20</u>	<u>30-Jun-19</u>
Cash flows from operating activities			
Interest received	\$ -	\$ -	\$ 286,187
Other income received	-	-	8,671
Operating expenses paid	(131,108)	(161,145)	(171,876)
Reimbursements received from manager	(284)	941	(5,736)
Purchase of financial assets at fair value through profit or loss	-	(620,000)	(19,110,667)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	<u>1,675,000</u>	<u>10,036,000</u>	<u>18,087,108</u>
Net cash provided by (used in) operating activities	<u>1,543,608</u>	<u>9,255,796</u>	<u>(906,313)</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	1,815,295	843,718	430,917
Payments for redemption of redeemable participating shares	<u>(901,584)</u>	<u>(12,381,736)</u>	<u>(910,531)</u>
Net cash provided by (used in) financing activities	<u>913,711</u>	<u>(11,538,018)</u>	<u>(479,614)</u>
Net change in cash and cash equivalents	2,457,319	(2,282,222)	(1,385,927)
Cash and cash equivalents at beginning of period	<u>(523,634)</u>	<u>1,758,588</u>	<u>1,515,322</u>
Cash and cash equivalents at end of period	<u>\$ 1,933,685</u>	<u>\$ (523,634)</u>	<u>\$ 129,395</u>

SCOTIA US DOLLAR BOND FUND
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UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 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, 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 June 30, 2020, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	139.853