

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED JUNE 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>June 30, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 313,606	\$ -
Financial assets at fair value through profit or loss (Cost: \$47,163,873 (December 2021: \$54,153,273))	43,582,349	57,481,338
Receivable from Manager	3,209	-
Subscriptions receivable	<u>496</u>	<u>125,256</u>
Total assets	<u>43,899,660</u>	<u>57,606,594</u>
LIABILITIES		
Accrued expenses	43,139	44,207
Management fee payable	22,900	30,857
Redemptions payable	19,538	-
Bank overdraft	<u>-</u>	<u>423,035</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>85,577</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>\$ 43,813,083</u>	<u>\$ 57,107,495</u>
Net asset value per redeemable participating share		
Class A \$37,045,831/14,398,322 shares (December 2021: \$48,172,134/16,225,127 shares)	<u>\$ 2.57</u>	<u>\$ 2.97</u>
Class NU \$1,270,237/527,379 shares (December 2021: \$1,452,424/521,281 shares)	<u>\$ 2.41</u>	<u>\$ 2.79</u>
Class IU \$5,496,478/1,914,343 shares (December 2021: \$7,482,320/2,266,034 shares)	<u>\$ 2.87</u>	<u>\$ 3.30</u>
Class IJ JMC80,960/558 shares (December 2021: JMC95,008/558 shares)	JMC <u>145.09</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 : August 11, 2022

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

(expressed in United States dollars)

	For the three month periods ended		For the six month periods ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Income				
Net realized (loss) gain on financial assets at fair value through profit or loss	\$ (192,138)	\$ 281,455	\$ (89,400)	\$ 281,455
Net change in unrealized (depreciation) appreciation on financial assets at fair value through profit or loss	(3,127,041)	936,013	(6,909,589)	(1,055,840)
Total net (loss) income	(3,319,179)	1,217,468	(6,998,989)	(774,385)
Expenses				
Management fees	72,037	93,558	153,598	191,849
Other expenses	17,376	17,625	41,604	35,189
Custodian and administration fees	15,945	15,945	31,715	31,701
Professional fees	5,951	5,951	11,837	12,149
Total operating expenses	111,309	133,079	238,754	270,888
Less: expenses reimbursed	(3,022)	-	(3,209)	-
Net operating expenses	108,287	133,079	235,545	270,888
Operating (loss) gain	(3,427,466)	1,084,389	(7,234,534)	(1,045,273)
(Decrease) increase in net assets from operations attributable to holders of redeemable participating shares	\$ (3,427,466)	\$ 1,084,389	\$ (7,234,534)	\$ (1,045,273)

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	<u>For the six month periods ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Shareholders' Equity		
Share Capital	\$ 96,290	\$ 114,976
Share Premium	36,931,309	41,748,369
Retained Earnings	14,020,018	15,376,850
Decrease in net assets for the period	<u>(7,234,534)</u>	<u>(1,045,273)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 43,813,083</u>	<u>\$ 56,194,922</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	<u>For the six month periods ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Cash flows from operating activities		
Operating expenses paid	(247,779)	\$ (277,746)
Purchase of financial assets at fair value through profit or loss	-	(4,250,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	6,900,000	5,300,001
	<u>6,652,221</u>	<u>772,255</u>
Net cash provided by operating activities		
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	1,357,272	7,484,401
Payments for redemption of redeemable participating shares	(7,272,852)	(9,481,758)
	<u>(5,915,580)</u>	<u>(1,997,357)</u>
Net cash used in financing activities		
Net change in cash and cash equivalents	736,641	(1,225,102)
(Bank overdraft) cash and cash equivalents at beginning of period	<u>(423,035)</u>	<u>2,405,180</u>
Cash and cash equivalents at end of period	<u>\$ 313,606</u>	<u>\$ 1,180,078</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED JUNE 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 June 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	150.713