

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED SEPTEMBER 30, 2023

SCOTIA US DOLLAR BOND FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED SEPTEMBER 30, 2023

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SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
ASSETS		
Cash and cash equivalents	\$ 130,795	\$ 284,103
Financial assets at fair value through profit or loss (Cost: \$38,289,223 (December 2022: \$39,086,375))	34,369,891	35,335,810
Receivable from Manager	29,491	10,805
Subscriptions receivable	<u>496</u>	<u>21,896</u>
Total assets	<u>34,530,673</u>	<u>35,652,614</u>
LIABILITIES		
Accrued expenses	34,990	48,992
Management fee payable	<u>17,446</u>	<u>18,634</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>52,436</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>34,477,237</u>	\$ <u>35,583,988</u>
Net asset value per redeemable participating share		
Class A \$27,840,584/11,304,303 shares (December 2022: \$29,002,340/11,594,320 shares)	\$ <u>2.46</u>	\$ <u>2.50</u>
Class NU \$1,189,160/519,027 shares (December 2022: \$1,221,274/522,860 shares)	\$ <u>2.29</u>	\$ <u>2.34</u>
Class IU \$5,446,973/1,967,546 shares (December 2022: \$5,359,849/1,914,343 shares)	\$ <u>2.77</u>	\$ <u>2.80</u>
Class IJ JMC80,410/558 shares (December 2022: JMC79,577/558 shares)	JMC <u>144.10</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 : November 9, 2023

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE LOSS

(expressed in United States dollars)

	<u>For the three month periods ended</u>		<u>For the nine month periods ended</u>	
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Income				
Net realized loss on financial assets at fair value through profit or loss	\$ (28,491)	\$ (472,342)	\$ (97,151)	\$ (561,742)
Net change in unrealized depreciation on financial assets at fair value through profit or loss	(811,268)	(1,209,764)	(168,767)	(8,119,353)
Total net loss	<u>(839,759)</u>	<u>(1,682,106)</u>	<u>(265,918)</u>	<u>(8,681,095)</u>
Expenses				
Management fees	53,962	67,346	162,624	220,944
Other expenses	11,486	17,094	48,023	58,698
Custodian and administration fees	16,457	19,547	47,361	51,262
Professional fees	9,638	(6,094)	21,914	5,743
Total operating expenses	<u>91,543</u>	<u>97,893</u>	<u>279,922</u>	<u>336,647</u>
Less: expenses reimbursed	<u>(8,638)</u>	<u>(6,289)</u>	<u>(29,491)</u>	<u>(9,498)</u>
Net operating expenses	<u>82,905</u>	<u>91,604</u>	<u>250,431</u>	<u>327,149</u>
Operating loss	<u>(922,664)</u>	<u>(1,773,710)</u>	<u>(516,349)</u>	<u>(9,008,244)</u>
Decrease in net assets from operations attributable to holders of redeemable participating shares	<u>\$ (922,664)</u>	<u>\$ (1,773,710)</u>	<u>\$ (516,349)</u>	<u>\$ (9,008,244)</u>

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, 2023</u>	<u>September 30, 2022</u>
Shareholders' Equity		
Share Capital	\$ 65,798	\$ 79,525
Share Premium	29,365,431	32,708,027
Retained Earnings	5,562,357	14,020,018
Decrease in net assets for the period	<u>(516,349)</u>	<u>(9,008,244)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 34,477,237</u>	<u>\$ 37,799,326</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, 2023</u>	<u>September 30, 2022</u>
Cash flows from operating activities		
Operating expenses paid	\$ (295,112)	\$ (347,751)
Reimbursements received from manager	10,805	-
Purchase of financial assets at fair value through profit or loss	(600,000)	(800,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	1,300,001	10,000,000
	<u>415,694</u>	<u>8,852,249</u>
Net cash provided by operating activities		
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	1,433,367	1,703,216
Payments for redemption of redeemable participating shares	(2,002,369)	(11,942,336)
	<u>(569,002)</u>	<u>(10,239,120)</u>
Net cash used in financing activities		
Net change in cash and cash equivalents	(153,308)	(1,386,871)
Cash and cash equivalents (bank overdraft) at beginning of period	<u>284,103</u>	<u>(423,035)</u>
Cash and cash equivalents (bank overdraft) at end of period	<u>\$ 130,795</u>	<u>\$ (1,809,906)</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED SEPTEMBER 30, 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 September 30, 2023, the current rate of exchange is:

<u>Share Class Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC	USD	154.706