

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
PERIOD ENDED DECEMBER 31, 2022

SCOTIA US DOLLAR BOND FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
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CONTENTS

	PAGE
UNAUDITED STATEMENT OF FINANCIAL POSITION	1
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)	2
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS	3
UNAUDITED STATEMENT OF CASH FLOWS	4
UNAUDITED NOTES TO FINANCIAL STATEMENTS	5

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

(expressed in United States dollars)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
ASSETS		
Cash and cash equivalents	\$ 284,103	\$ -
Financial assets at fair value through profit or loss (Cost: \$39,086,375 (December 2021: \$54,153,273))	35,335,810	57,481,338
Subscriptions receivable	21,896	125,256
Receivable from Manager	<u>10,805</u>	<u>-</u>
Total assets	<u>35,652,614</u>	<u>57,606,594</u>
LIABILITIES		
Bank overdraft	-	423,035
Accrued expenses	48,992	44,207
Management fee payable	<u>18,634</u>	<u>30,857</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>67,626</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>\$ 35,583,988</u>	<u>\$ 57,107,495</u>
Net asset value per redeemable participating share		
Class A \$29,002,340/11,594,320 shares (December 2021: \$48,172,134/16,225,127 shares)	<u>\$ 2.50</u>	<u>\$ 2.97</u>
Class NU \$1,221,274/522,860 shares (December 2021: \$1,452,424/521,281 shares)	<u>\$ 2.34</u>	<u>\$ 2.79</u>
Class IU \$5,359,849/1,914,343 shares (December 2021: \$7,482,320/2,266,034 shares)	<u>\$ 2.80</u>	<u>\$ 3.30</u>
Class IJ JMC79,577/558 shares (December 2021: JMC95,008/558 shares)	<u>JMC 142.61</u>	<u>JMC 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 : February 9, 2023

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

(expressed in United States dollars)

	For the three month periods ended		Year ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Income				
Other income	\$ -	\$ 9	\$ -	\$ -
Net realized (loss) gain on financial assets at fair value through profit or loss	(405,156)	34,673	(966,898)	316,128
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	1,040,723	(174,322)	(7,078,630)	(1,135,428)
Total net income (loss)	<u>635,567</u>	<u>(139,640)</u>	<u>(8,045,528)</u>	<u>(819,300)</u>
Expenses				
Management fees	56,207	92,407	277,151	378,341
Other expenses	20,197	17,818	78,895	71,068
Custodian and administration fees	13,863	16,120	65,125	63,942
Professional fees	5,520	6,017	11,263	24,182
Total operating expenses	<u>95,787</u>	<u>132,362</u>	<u>432,434</u>	<u>537,533</u>
Less: expenses reimbursed	<u>(10,803)</u>	<u>-</u>	<u>(20,301)</u>	<u>-</u>
Net operating expenses	<u>84,984</u>	<u>132,362</u>	<u>412,133</u>	<u>537,533</u>
Operating profit (loss)	<u>550,583</u>	<u>(272,002)</u>	<u>(8,457,661)</u>	<u>(1,356,833)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 550,583</u>	<u>\$ (272,002)</u>	<u>\$ (8,457,661)</u>	<u>\$ (1,356,833)</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shareholders' Equity		
Share Capital	\$ 68,204	\$ 118,013
Share Premium	29,953,427	42,969,464
Retained Earnings	14,020,018	15,376,851
Decrease in net assets for the period	<u>(8,457,661)</u>	<u>(1,356,833)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 35,583,988</u>	<u>\$ 57,107,495</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

(expressed in United States dollars)

	Year ended	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash flows from operating activities		
Operating expenses paid	\$ (439,872)	(528,703)
Reimbursements received from manager	9,496	-
Purchase of financial assets at fair value through profit or loss	(1,200,000)	(7,700,000)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	<u>15,300,000</u>	<u>5,950,000</u>
Net cash provided by (used in) operating activities	<u>13,669,624</u>	<u>(2,278,703)</u>
Cash flows from financing activities		
Proceeds from subscriptions of redeemable participating shares	2,864,770	13,502,383
Payments for redemption of redeemable participating shares	<u>(15,827,256)</u>	<u>(14,051,895)</u>
Net cash used in financing activities	<u>(12,962,486)</u>	<u>(549,512)</u>
Net change in cash and cash equivalents	707,138	(2,828,215)
(Bank overdraft) cash and cash equivalents at beginning of period	<u>(423,035)</u>	<u>2,405,180</u>
Cash and cash equivalents (bank overdraft) at end of period	<u>\$ 284,103</u>	<u>\$ (423,035)</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 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 December 31, 2022, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	151.700