

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2020

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2020

<u>CONTENTS</u>	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
AS OF DECEMBER 31, 2020
(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
ASSETS			
Cash and cash equivalents	\$ 2,405,180	\$ 2,854,548	\$ 1,758,588
Financial assets at fair value through profit or loss (Cost: \$53,087,145 (September 2020: \$50,587,145; December 2019: \$59,400,745))	57,550,638	54,442,569	59,363,704
Subscriptions receivable	55,041	496	496
Receivable from Manager	<u>-</u>	<u>359</u>	<u>1,016</u>
Total assets	<u>60,010,859</u>	<u>57,297,972</u>	<u>61,123,804</u>
LIABILITIES			
Payable for investments purchased	1,000,000	-	-
Accrued expenses	33,557	28,628	67,271
Management fee payable	32,677	30,431	30,155
Redemptions payable	<u>2,150</u>	<u>139,151</u>	<u>10,000</u>
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>1,068,384</u>	<u>198,210</u>	<u>107,426</u>
Management shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 58,941,475</u>	<u>\$ 57,098,762</u>	<u>\$ 61,015,378</u>
Net asset value per redeemable participating share			
Class A			
\$53,446,187/17,605,860 shares (September 2020: \$51,245,362/17,018,691 shares; December 2019: \$48,296,233/17,206,043 shares)	<u>\$ 3.04</u>	<u>\$ 3.01</u>	<u>\$ 2.81</u>
Class NU			
\$1,567,838/547,589 shares (September 2020: \$1,664,598/585,394 shares; December 2019: \$1,557,534/585,393 shares)	<u>\$ 2.86</u>	<u>\$ 2.84</u>	<u>\$ 2.66</u>
Class IU			
\$3,926,825/1,171,275 shares (September 2020: \$4,188,184/1,261,642 shares; December 2019: \$11,161,039/3,625,688 shares)	<u>\$ 3.35</u>	<u>\$ 3.32</u>	<u>\$ 3.08</u>
Class IJ			
JMC88,483/558 shares (September 2020: JMC87,554/558 shares; December 2019: JMC75,767/558 shares)	JMC <u>158.57</u>	JMC <u>156.84</u>	JMC <u>135.72</u>

Approved for issuance on behalf of Scotia US Dollar Bond Fund's Board of Directors by:

Faried Sulliman
Faried Sulliman
Director

Carlos Escamilla
Carlos Escamilla
Director

Date : February 12, 2021

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
Income			
Net realized gain on financial assets at fair value through profit or loss	\$ -	\$ -	\$ 1,555,908
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	608,069	813,378	(2,120,048)
Interest income	<u>-</u>	<u>-</u>	<u>93,786</u>
Total net income (loss)	<u>608,069</u>	<u>813,378</u>	<u>(470,354)</u>
Expenses			
Management fees	95,519	91,555	106,794
Other expenses	21,430	17,504	17,405
Custodian and administration fees	14,808	16,324	17,456
Professional fees	<u>6,503</u>	<u>6,503</u>	<u>7,278</u>
Total operating expenses	<u>138,260</u>	<u>131,886</u>	<u>148,933</u>
Less: expenses reimbursed	<u>(2,042)</u>	<u>-</u>	<u>(1,011)</u>
Net operating expenses	<u>136,218</u>	<u>131,886</u>	<u>147,922</u>
Operating gain (loss)	<u>471,851</u>	<u>681,492</u>	<u>(618,276)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 471,851</u>	<u>\$ 681,492</u>	<u>\$ (618,276)</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
Shareholders' Equity			
Share Capital	\$ 121,137	\$ 116,547	\$ 142,060
Share Premium	43,443,488	42,077,216	49,554,985
Retained Earnings	14,904,999	14,223,507	11,936,609
Increase (decrease) in net assets for the quarter	<u>471,851</u>	<u>681,492</u>	<u>(618,276)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 58,941,475</u>	<u>\$ 57,098,762</u>	<u>\$ 61,015,378</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED DECEMBER 31, 2020

(expressed in United States dollars)

	<u>31-Dec-20</u>	<u>30-Sep-20</u>	<u>31-Dec-19</u>
Cash flows from operating activities			
Interest received	\$ -	\$ -	\$ 395,669
Operating expenses paid	(129,043)	(129,313)	(143,159)
Reimbursements received from manager	359	-	15,733
Purchase of financial assets at fair value through profit or loss	(1,500,000)	(2,200,000)	(89,408,469)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	-	-	79,096,622
	<u>(1,628,684)</u>	<u>(2,329,313)</u>	<u>(10,043,604)</u>
Net cash used in operating activities			
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	2,898,057	4,286,082	13,280,245
Payments for redemption of redeemable participating shares	<u>(1,718,741)</u>	<u>(1,035,906)</u>	<u>(1,661,698)</u>
	<u>1,179,316</u>	<u>3,250,176</u>	<u>11,618,547</u>
Net cash provided by financing activities			
Net change in cash and cash equivalents	(449,368)	920,863	1,574,943
Cash and cash equivalents at beginning of period	<u>2,854,548</u>	<u>1,933,685</u>	<u>183,645</u>
Cash and cash equivalents at end of period	<u>\$ 2,405,180</u>	<u>\$ 2,854,548</u>	<u>\$ 1,758,588</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED DECEMBER 31, 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 December 31, 2020, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
	JMC	USD	141.671