

SCOTIA US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2021

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INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 2021

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SCOTIA US DOLLAR BOND FUND
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021
(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
ASSETS			
Cash and cash equivalents	\$ 1,180,078	\$ 727,078	\$ 1,933,685
Financial assets at fair value through profit or loss (Cost: \$51,318,599 (March 2021: \$56,337,145; June 2020: \$48,387,145))	54,726,252	58,808,785	51,429,191
Subscriptions receivable	348,968	496	55,021
Receivable from Manager	-	-	359
	<u>56,255,298</u>	<u>59,536,359</u>	<u>53,418,256</u>
LIABILITIES			
Management fee payable	29,956	33,813	28,130
Accrued expenses	29,420	14,145	28,356
Redemptions payable	-	39,455	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>59,376</u>	<u>87,413</u>	<u>56,486</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>\$ 56,194,922</u>	<u>\$ 59,447,946</u>	<u>\$ 53,360,770</u>
Net asset value per redeemable participating share			
Class A \$49,963,779/16,742,467 shares (March 2021: \$53,921,308/18,411,684 shares; June 2020: \$47,416,336/15,943,560 shares)	<u>\$ 2.98</u>	<u>\$ 2.93</u>	<u>\$ 2.97</u>
Class NU \$1,530,847/545,240 shares (March 2021: \$1,510,685/547,589 shares; June 2020: \$1,646,150/585,394 shares)	<u>\$ 2.81</u>	<u>\$ 2.76</u>	<u>\$ 2.81</u>
Class IU \$4,699,679/1,421,030 shares (March 2021: \$4,015,349/1,239,317 shares; June 2020: \$4,297,675/1,313,089 shares)	<u>\$ 3.31</u>	<u>\$ 3.24</u>	<u>\$ 3.27</u>
Class IJ JMC92,406/558 shares (March 2021: JMC88,002/558 shares June 2020: JMC85,120/558 shares)	JMC <u>165.60</u>	JMC <u>157.71</u>	JMC <u>152.54</u>

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

Farried Sulliman
Farried Sulliman
Director

Adrian Stokes
Adrian Stokes
Director

Date : August 12, 2021

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
Income			
Net realized gain on financial assets at fair value through profit or loss	\$ 281,455	\$ -	\$ 23,083
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	<u>936,013</u>	<u>(1,991,853)</u>	<u>1,942,877</u>
Total net income (loss)	<u>1,217,468</u>	<u>(1,991,853)</u>	<u>1,965,960</u>
Expenses			
Management fees	93,558	98,291	84,146
Other expenses	17,625	17,564	16,566
Custodian and administration fees	15,945	15,756	16,172
Professional fees	<u>5,951</u>	<u>6,198</u>	<u>6,432</u>
Total operating expenses	<u>133,079</u>	<u>137,809</u>	<u>123,316</u>
Less: expenses reimbursed	<u>-</u>	<u>-</u>	<u>(285)</u>
Net operating expenses	<u>133,079</u>	<u>137,809</u>	<u>123,031</u>
Operating gain (loss)	<u>1,084,389</u>	<u>(2,129,662)</u>	<u>1,842,929</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 1,084,389</u>	<u>\$ (2,129,662)</u>	<u>\$ 1,842,929</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

QUARTER ENDED JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
Shareholders' Equity			
Share Capital	\$ 114,976	\$ 129,875	\$ 106,309
Share Premium	41,748,369	46,070,883	39,030,954
Retained Earnings	13,247,188	15,376,850	12,380,578
Increase (decrease) in net assets for the quarter	<u>1,084,389</u>	<u>(2,129,662)</u>	<u>1,842,929</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 56,194,922</u>	<u>\$ 59,447,946</u>	<u>\$ 53,360,770</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED STATEMENT OF CASH FLOWS

QUARTER ENDED JUNE 30, 2021

(expressed in United States dollars)

	<u>30-Jun-21</u>	<u>31-Mar-21</u>	<u>30-Jun-20</u>
Cash flows from operating activities			
Operating expenses paid	\$ (121,661)	\$ (156,085)	\$ (131,108)
Reimbursements received from manager	-	-	(284)
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	5,300,001	-	1,675,000
Net cash provided by (used in) operating activities	<u>5,178,340</u>	<u>(4,406,085)</u>	<u>1,543,608</u>
Cash flows from financing activities			
Proceeds from subscriptions of redeemable participating shares	2,425,136	5,059,265	1,815,295
Payments for redemption of redeemable participating shares	(7,150,476)	(2,331,282)	(901,584)
Net cash (used in) provided by financing activities	<u>(4,725,340)</u>	<u>2,727,983</u>	<u>913,711</u>
Net change in cash and cash equivalents	453,000	(1,678,102)	2,457,319
Cash and cash equivalents at beginning of period	<u>727,078</u>	<u>2,405,180</u>	<u>(523,634)</u>
Cash and cash equivalents at end of period	<u>\$ 1,180,078</u>	<u>\$ 727,078</u>	<u>\$ 1,933,685</u>

SCOTIA US DOLLAR BOND FUND

UNAUDITED NOTES TO FINANCIAL STATEMENTS

QUARTER ENDED JUNE 30, 2021

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 quarter ended June 30, 2021, the current rate of exchange is:

<u>Share Class</u>	<u>Currency</u>	<u>Functional Currency</u>	<u>Exchange Rate</u>
JMC		USD	149.782