

**SCOTIABANK US DOLLAR BOND FUND**

**UNAUDITED FINANCIAL STATEMENTS**

**QUARTER ENDED MARCH 31, 2019**

**SCOTIABANK US DOLLAR BOND FUND**  
**INDEX TO UNAUDITED FINANCIAL STATEMENTS**  
**QUARTER ENDED MARCH 31, 2019**

<b><u>CONTENTS</u></b>	<b>PAGE</b>
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

**SCOTIABANK US DOLLAR BOND FUND**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2019**  
**(expressed in United States dollars)**

	<u>31-Mar-19</u>	<u>31-Dec-18</u>	<u>31-Mar-18</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,515,322	\$ 923,205	\$ 6,905,227
Financial assets at fair value through profit or loss (Amortized cost: \$43,265,738 (December 2018: \$43,963,629; March 2018: \$66,910,711))	43,967,633	43,593,411	65,668,894
Interest receivable	310,682	255,305	440,507
Receivable from Manager	6,482	157	6,946
Subscriptions receivable	496	496	392,223
	<u>45,800,615</u>	<u>44,772,574</u>	<u>73,413,797</u>
<b>LIABILITIES</b>			
Management fee payable	41,898	41,631	49,454
Accrued expenses	30,483	27,279	18,701
Redemptions payable	-	11,500	7,244
Payable for investments purchased	-	-	5,994,775
Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>72,381</u>	<u>80,410</u>	<u>6,070,174</u>
Management shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Net assets attributable to holders of redeemable participating shares</b>	<u>\$ 45,727,234</u>	<u>\$ 44,691,164</u>	<u>\$ 67,342,623</u>
Net asset value per redeemable participating share			
Class A \$38,914,425/14,422,302 shares (December 2018: \$38,087,223/14,538,390 shares; March 2018: \$45,956,841/17,600,240 shares)			
	<u>\$ 2.70</u>	<u>\$ 2.62</u>	<u>\$ 2.61</u>
Class NU \$1,966,180/765,867 shares (December 2018: \$1,911,373/765,867 shares; March 2018: \$2,046,582/819,656 shares)			
	<u>\$ 2.57</u>	<u>\$ 2.50</u>	<u>\$ 2.50</u>
Class IU \$4,846,087/1,650,771 shares (December 2018: \$4,692,044/1,650,771 shares; March 2018: \$19,338,682/6,888,059 shares)			
	<u>\$ 2.94</u>	<u>\$ 2.84</u>	<u>\$ 2.81</u>
Class IJ JMC68,442/558 shares (December 2018: JMC66,860/558 shares; March 2018: JMC65,069/558 shares)			
	<u>JMC 122.60</u>	<u>JMC 119.77</u>	<u>JMC 116.56</u>

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

Farried Sulliman  
Farried Sulliman  
Director

Dwight Burrows  
Dwight Burrows  
Director

Date : May 10, 2019

**SCOTIABANK US DOLLAR BOND FUND**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)**

**QUARTER ENDED MARCH 31, 2019**

**(expressed in United States dollars)**

	<b><u>31-Mar-19</u></b>	<b><u>31-Dec-18</u></b>	<b><u>31-Mar-18</u></b>
<b>Income</b>			
Interest income	\$ 344,766	\$ 376,788	\$ 377,654
Other income	16,765	-	-
Net realized gain (loss) financial assets at fair value through profit or loss	63,041	(631,015)	(234,391)
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	<u>1,072,113</u>	<u>878,751</u>	<u>(1,241,594)</u>
Total net income (loss)	<u>1,496,685</u>	<u>624,524</u>	<u>(1,098,331)</u>
<b>Expenses</b>			
Management fees	121,353	123,344	145,545
Custodian and administration fees	17,064	17,847	17,459
Other expenses	16,853	14,995	16,937
Professional fees	<u>7,125</u>	<u>10,855</u>	<u>5,714</u>
Total operating expenses	<u>162,395</u>	<u>167,041</u>	<u>185,655</u>
Less: expenses reimbursed	<u>(6,324)</u>	<u>(156)</u>	<u>-</u>
Net operating expenses	<u>156,071</u>	<u>166,885</u>	<u>-</u>
<b>Operating gain (loss)</b>	<u>1,340,614</u>	<u>457,639</u>	<u>(1,283,986)</u>
<b>Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares</b>	<u>\$ 1,340,614</u>	<u>\$ 457,639</u>	<u>\$ (1,283,986)</u>

**SCOTIABANK US DOLLAR BOND FUND**

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS**

**QUARTER ENDED MARCH 31, 2019**

**(expressed in United States dollars)**

	<b><u>31-Mar-19</u></b>	<b><u>31-Dec-18</u></b>	<b><u>31-Mar-18</u></b>
<b>Shareholders' Equity</b>			
Share Capital	\$ 96,278	\$ 97,439	\$ 180,969
Share Premium	36,117,302	36,420,685	58,985,679
Retained Earnings	8,173,040	7,715,401	9,459,961
Increase (decrease) in net assets for the quarter	<u>1,340,614</u>	<u>457,639</u>	<u>(1,283,986)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 45,727,234</u>	<u>\$ 44,691,164</u>	<u>\$ 67,342,623</u>

**SCOTIABANK US DOLLAR BOND FUND**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**QUARTER ENDED MARCH 31, 2019**  
**(expressed in United States dollars)**

	<b><u>31-Mar-19</u></b>	<b><u>31-Dec-18</u></b>	<b><u>31-Mar-18</u></b>
<b>Cash flows from operating activities</b>			
Interest received	\$ 248,791	\$ 458,820	\$ 639,539
Other income received	16,765	-	-
Operating expenses paid	(152,600)	(173,347)	(208,251)
Reimbursements received from manager	(6,324)	(156)	-
Purchase of financial assets at fair value through profit or loss	(24,328,775)	(20,316,102)	(18,215,837)
Proceeds from sale and maturity of financial assets at fair value through profit or loss	25,130,304	34,705,914	24,502,468
	<u>908,161</u>	<u>14,675,129</u>	<u>6,717,919</u>
Net cash provided by operating activities			
<b>Cash flows from financing activities</b>			
Proceeds from subscriptions of redeemable participating shares	574,285	418,033	1,450,035
Payments for redemption of redeemable participating shares	(890,329)	(15,424,763)	(2,013,611)
	<u>(316,044)</u>	<u>(15,006,730)</u>	<u>(563,576)</u>
Net cash used in financing activities			
<b>Net change in cash and cash equivalents</b>	592,117	(331,601)	6,154,343
<b>Cash and cash equivalents at beginning of period</b>	<u>923,205</u>	<u>1,254,806</u>	<u>750,884</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,515,322</u>	<u>\$ 923,205</u>	<u>\$ 6,905,227</u>

**SCOTIABANK US DOLLAR BOND FUND**  
**UNAUDITED NOTES TO FINANCIAL STATEMENTS**  
**QUARTER ENDED MARCH 31, 2019**

**1. General**

Scotiabank US Dollar Bond Fund (the "Company") was incorporated in the Cayman Islands on December 21, 1992 and registered under the Mutual Fund Law 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 the offices of Scotiabank & Trust (Cayman) Ltd., 18 Forum Lane, Camana Bay, P.O. Box 501, Grand Cayman, KY1-1106. The Company has no employees.

**2. Significant accounting policies**

These statements are prepared using the International Accounting Standards. 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.