

SCOTIABANK US DOLLAR BOND FUND
UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2017

SCOTIABANK US DOLLAR BOND FUND
INDEX TO UNAUDITED FINANCIAL STATEMENTS
QUARTER ENDED SEPTEMBER 30, 2017

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SCOTIABANK US DOLLAR BOND FUND

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2017

(expressed in United States dollars)

	<u>30-Sep-17</u>	<u>30-Jun-17</u>	<u>30-Sep-16</u>
ASSETS			
Cash and cash equivalents	\$ 92,131	\$ 1,147,125	\$ 500,703
Financial assets at fair value through profit or loss (Amortized cost: \$68,047,005 (June 2017: \$67,841,299; September 2016: \$75,420,151))	68,148,237	67,885,069	77,606,169
Interest receivable	434,131	307,029	328,785
Subscriptions receivable	1,732	496	8,081
Prepaid assets	-	-	3,217
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Total assets	<u>68,676,231</u>	<u>69,339,719</u>	<u>78,446,955</u>
LIABILITIES			
Management fee payable	49,616	51,220	55,618
Accrued expenses	39,302	30,549	41,218
Redemptions payable	36,000	158,557	4,513
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Liabilities (excluding net assets attributable to holders of redeemable participating shares)	<u>124,918</u>	<u>240,326</u>	<u>101,349</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>\$ 68,550,313</u>	<u>\$ 69,098,393</u>	<u>\$ 78,344,606</u>
Net asset value per redeemable participating share			
Class A \$47,309,438/17,778,895 shares (June 2017: \$48,330,646/18,203,775 shares; September 2016: \$52,535,225/19,241,843 shares)	<u>\$ 2.66</u>	<u>\$ 2.66</u>	<u>\$ 2.73</u>
Class NU \$2,202,804/863,544 shares (June 2017: \$2,225,778/873,424 shares; September 2016: \$2,932,701/1,114,932 shares)	<u>\$ 2.55</u>	<u>\$ 2.55</u>	<u>\$ 2.63</u>
Class IU \$19,037,547/6,693,732 shares (June 2017: \$18,541,449/6,553,848 shares; September 2016: \$22,876,151/7,933,940 shares)	<u>\$ 2.84</u>	<u>\$ 2.83</u>	<u>\$ 2.88</u>
Class IJ JMC\$67,819/558 shares (June 2017: JMC66,834/558 shares; September 2016: JMC67,625/558 shares)	JMC <u>121.48</u>	JMC <u>119.72</u>	JMC <u>121.13</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 : November 10, 2017

SCOTIABANK US DOLLAR BOND FUND

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

QUARTER ENDED SEPTEMBER 30, 2017

(expressed in United States dollars)

	<u>30-Sep-17</u>	<u>30-Jun-17</u>	<u>30-Sep-16</u>
Income			
Interest income	\$ 366,182	\$ 357,308	\$ 379,527
Net realized (loss) gain on financial assets at fair value through profit or loss	(14,759)	77,985	381,333
Net change in unrealized appreciation (depreciation) on financial assets at fair value through profit or loss	<u>57,462</u>	<u>563,791</u>	<u>(903,940)</u>
Total net income (loss)	<u>408,885</u>	<u>999,084</u>	<u>(143,080)</u>
Expenses			
Management fees	154,049	155,154	173,422
Custodian and administration fees	18,150	17,952	15,529
Other expenses	16,785	16,600	15,286
Professional fees	<u>5,671</u>	<u>5,611</u>	<u>7,081</u>
Total operating expenses	<u>194,655</u>	<u>195,317</u>	<u>211,318</u>
Operating gain (loss)	<u>214,230</u>	<u>803,767</u>	<u>(354,398)</u>
Increase (decrease) in net assets from operations attributable to holders of redeemable participating shares	<u>\$ 214,230</u>	<u>\$ 803,767</u>	<u>\$ (354,398)</u>

SCOTIABANK US DOLLAR BOND FUND
UNAUDITED STATEMENT OF CHANGES IN NET ASSETS
QUARTER ENDED SEPTEMBER 30, 2017
(expressed in United States dollars)

	<u>30-Sep-17</u>	<u>30-Jun-17</u>	<u>30-Sep-16</u>
Shareholders' Equity			
Share Capital	\$ 181,251	\$ 184,199	\$ 210,796
Share Premium	59,003,395	59,762,757	66,952,016
Retained Earnings	9,151,437	8,347,670	11,536,192
Increase (decrease) in net assets for the quarter	<u>214,230</u>	<u>803,767</u>	<u>(354,398)</u>
Net assets attributable to holders of redeemable participating shares	<u>\$ 68,550,313</u>	<u>\$ 69,098,393</u>	<u>\$ 78,344,606</u>

SCOTIABANK US DOLLAR BOND FUND

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QUARTER ENDED SEPTEMBER 30, 2017

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 address of the registered office is Scotia Centre, 6 Cardinal Avenue, 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.