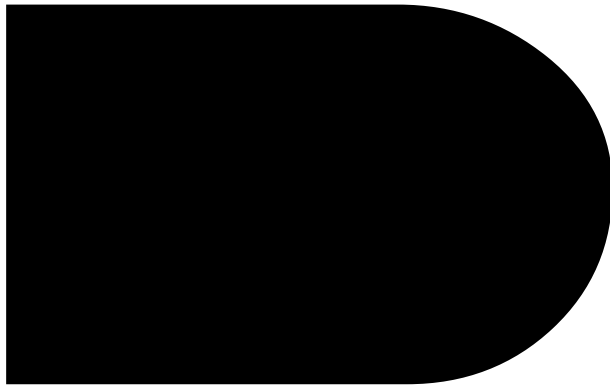


**THE INVESTMENT
MAGAZINE**

by: PROVEN Investments Limited

MARCH 2017 EDITION



MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2017

PROVEN INVESTMENTS LIMITED REPORTS AUDITED FINANCIAL RESULTS

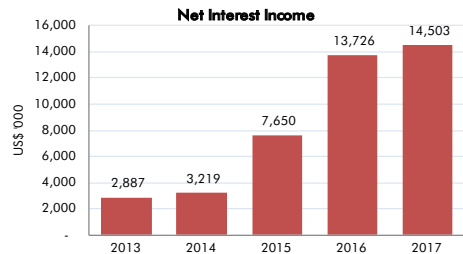
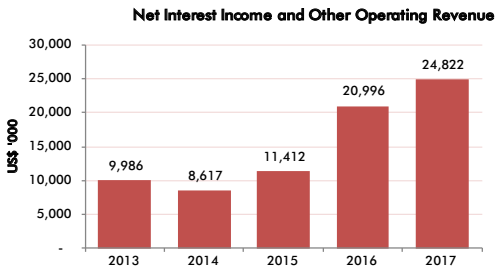
The Board of Directors of PROVEN Investments Limited (“PIL”) is pleased to report its audited financial statements for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

US\$8.72 million	—	• Net Profit attributable to shareholders
US\$0.0158	—	• Earnings Per Share
US\$632.4 million	—	• Consolidated Total Assets
13.34%	—	• Annualized Return on Equity
59.51%	—	• Efficiency Ratio
US\$0.0042 per share	—	• Proposed Dividend

FINANCIAL PERFORMANCE

PROVEN Investments Limited experienced 18.2% growth in Net Revenue for the year ended March 31, 2017, moving to US\$24.8 million compared to US\$21.0 million earned during the year ended March 31, 2016. Net Profit attributable to shareholders for the year ended March 31, 2017 amounted to US\$8.72 million. This represents more than a three-fold increase from the US\$2.34 million earned in the prior year, and is primarily as a result of improved operational performance and also the one-off gain from the acquisition of the Bank of St. Lucia International Limited (“BOSLIL”), during the final quarter of the financial year. Excluding this one-off gain and related expenses from the results, the profits of the Group would have increased by 148% year over year.



MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

1. Tradeable Securities

Spread income was the major contributor to revenue during the year, performing consistently when compared with last year, with Net interest income amounting to \$14.50 million compared to \$13.73 million in the year ended March 2016. Dividend income slightly increased 2.4% to US\$1.36 million from US\$1.33 million for the prior year, due to the realignment of the investment portfolio during the period.

Realized gains from the trading of securities for the period amounted to US\$1.72 million, compared to a loss of US\$1.03 million for the same period last year. Net foreign exchange gains increased by 26.5%, to US\$1.90 million from US\$1.50 million reported for the period ended March 2016, as a result of the 5.36% devaluation of the Jamaican Dollar versus the US Dollar during the one year period.

We continue to monitor the investment arena and strategically adjust our positioning to take advantage of opportunities that fit our risk-reward criteria diversifying our portfolio across fixed income sectors and non-bond sources of income with varied risk exposures to lower volatility, while enhancing our expected risk-adjusted returns.

2. Private Equity

Private equity investments that fit our risk to reward objectives continue to be a strong area of focus as we explore vast opportunities throughout the region. Our current private equity holdings continue to boost our bottom-line:

PROVEN Wealth Limited

PROVEN Wealth Limited ("PWL") had a successful year, experiencing significant growth in profits up to US\$3.36 million. This represents more than a two fold increase compared to the same period last year. As the firm continues its strategy to offer innovative investment products to clients, and reduce the issue of repurchase agreements the balance sheet experienced an overall 0.11% contraction compared to last year. Total Assets for the company as at March 31, 2017 stood at US\$158.81 million.

PROVEN Fund Managers Limited

PROVEN Fund Management Limited continues to be a formidable player in the Asset and Pension Fund Management and administration business. The company launched its flagship Approved Retirement Scheme dubbed "PROVEN Rock", which offers a retirement solution for individuals who are not members of an approved Pension Plan. Profitability declined year over year, as Net profit

“The only source
of knowledge
is experience.”

Albert Einstein

PROVEN

WEALTH

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Tel: 876.625.0845-6

Montego Bay Branch:

Unit #11

Fairview II Shopping Centre

Tel: 876.908.3800-1

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

Private Equity - Continued

for the year ended March 2017 was US\$0.44 million compared to US\$0.91 million earned in the prior year.

ACCESS Financial Services Limited

Access Financial Services Limited contributed considerably to the results of the Group during the financial, producing net profits of US\$5.56 million for the year ended March 31, 2016, representing a 41.4% increase in US dollar terms over the prior year results. The loan portfolio was US\$29.46 million as at March 31, 2017, representing a 47.31% increase compared to the balance as at March 31, 2016.

Bank of St. Lucia International Limited (BOSLIL)

PROVEN Investments Limited has acquired 82.82% of the common equity of Bank of St. Lucia International (BOSLIL) from Eastern Caribbean Financial Holding Company Limited. The acquisition of the shares was completed on March 13, 2017. International banking is historically a robust sector in the Eastern Caribbean, and BOSLIL has a strong team and an established track record in the sector. This acquisition will therefore provide a solid platform for further growth for PROVEN Investments Limited.

3. Real Estate

PROVEN REIT Limited is now a wholly owned subsidiary of PROVEN Investments Limited. Having successfully completed and sold the residential development on Kingsway Avenue in Kingston, Jamaica, the company has completed its second residential developments in Jamaica on Sullivan Avenue, Kingston 8, with 90% of those units sold as at the year-end. The third development in the pipeline is on Millsborough Avenue in Kingston 6 and is expected to break ground by summer 2017. The company also continues to closely monitor the local and international real estate markets for new opportunities.

4. Operating Expenses

For the year ended March 31, 2017, consolidated operating expenses increased by 8.4% to US\$18.2 million from US\$16.8 million in the prior year. However, the Efficiency Ratio, including all income and expense items, decreased significantly to 59.5% compared to 85.2% for last year. Expense management and consolidation has been a key focus of management and we have achieved success in reducing our efficiency ratio closer to the established target of 50%.

"For me, it's knowing that I can make someone feel better and for them to know that someone cares. That makes hard work worth it."

-Lorriane Hutchinson, Nurse



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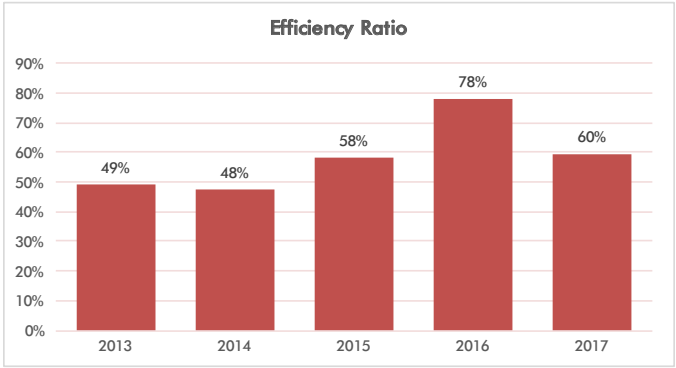
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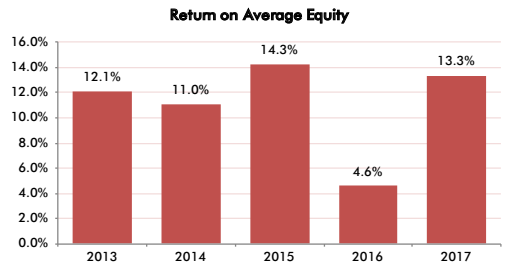
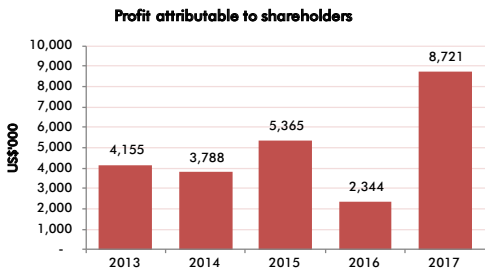
@accessfinanceja #accesscelebrateshardwork

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2017



5. Net Profit

Net Profit attributable to shareholders totalled US\$8.73 million or 1.58 cents per share versus US\$2.34 million or 0.44 cents per share in the year ended March 2016. This represents an annualized Return on Equity of 13.34% for the year ended March 31, 2017.



6. Balance Sheet

Total assets amounted to US\$632.42 million as of March 31, 2017, an 81.5% increase from US\$348.39 million as of March 31, 2016. Total liabilities increased to US\$543.47 million as at March 31, 2017 from US\$276.08 million as of March 31, 2016, primarily as a result of a total of \$270.06 million in acquired customer bank deposits subsequent to the acquisition of BOSLIL during the year.

PROVEN

REIT

Real Estate
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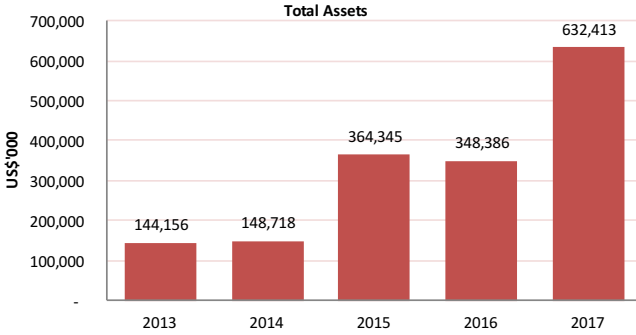
Bloomfield Estate

Mandeville, Jamaica



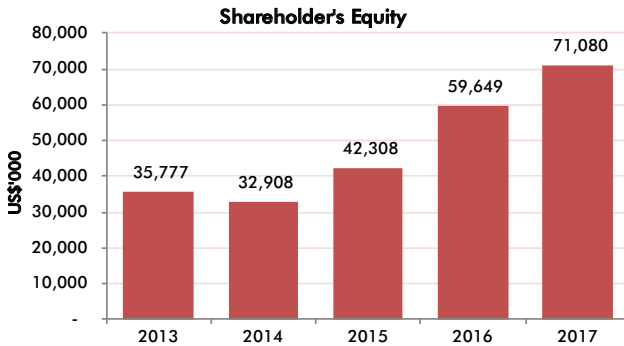
MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017



7. Shareholder's Equity

Shareholder's Equity attributable to the owners of the company increased by 20.54% from US\$59.65 million as at March 31, 2016 to US\$71.10 million as at March 31, 2017 in line with an increase in Retained Earnings and a positive change in the Investment Revaluation Reserve during the period, following the recovery in the bond market.



8. Dividend Payment

The Board of Directors has approved a final dividend payment of US\$0.0042 per share to all ordinary shareholders on record as at June 8, 2017 to be paid on June 22, 2017. This dividend will bring the total dividend for the financial year to US\$0.0111 per share, equating to approximately 70% of the profits of the company for the financial year ended March 31, 2017 and representing an annualized tax-free dividend yield of 5.20% based on the average share price of US\$0.2135 for the year ended March 31, 2017.

PROVEN Investments Limited takes this opportunity to thank all of our stakeholders for your support and trust. Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.

EXPERIENCE OFFERS A BROADER PERSPECTIVE

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- 🌀 Credit Cards
- 🌀 Saint Lucia IBCs
- 🌀 Private Investment Funds
- 🌀 Personalised Service

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

OPERATING ENVIRONMENT

INTERNATIONAL

The past twelve months to March 2016 was marked by heightened concerns about threats to worldwide economic growth. Global stocks initially dropped sharply after British voters on June 23, 2016 approved a ballot measure to leave the European Union, but a strong bounce-back rally erased most of the losses. Rising oil prices fuelled gains in the energy sector while consumer discretionary stocks declined. High-grade bonds, the U.S. dollar and gold rallied. Volatility and uncertainty continued to permeate the international markets over the next few months, as performance across the various asset classes remained mixed during the period under review. US equities performed well as the S&P 500 advanced 3.8%.

The build-up to the presidential election and subsequent victory of Republican candidate Donald Trump dominated markets over the period. Trump's plans to cut taxes, boost infrastructure spending and reduce regulations were seen as positive for domestic growth and small and mid-cap equities performed particularly well, with the Russell 2000 and Russell 2500 recording respective gains of 8.8% and 6.1%. The Federal Open Market Committee raised interest rates by 0.25% in December against the backdrop of continued strength in the US economy.

The global bond market movements remained volatile, driven by political factors which mainly included Donald Trump's victory at the polls and the upcoming elections in Europe which rose in prominence as potentially destabilising influences. The stock market continued to find new highs on a daily basis with the Dow Jones Industrial Average surpassing 20,000 for the first time. Before the market caught its breath, the 21,000 level was shattered in just 24 trading days.

The ECB upgraded its 2017 and 2018 growth and inflation forecasts but pledged to keep existing stimulus in place until the end of the year meanwhile the FTSE All-Share index rose 4.0% amid further evidence of a recovery in the global economy. The UK domestic economy also proved more resilient than expected. The Bank of England upgraded its 2017 UK GDP growth projection (from 1.4% to 2.0%) due to stronger-than-expected consumer spending following Brexit.

Looking ahead, the market will continue to be fuelled by expectations that elected U.S. President Donald Trump will deliver business-friendly policies, including tax cuts and regulatory reductions. Long-term bond yields will continue to be under upward pressure and the USD is projected to have limited upside potential in 2017. Also, Federal Reserve officials still expect to raise short-term interest rates two more times this year and they see no major changes in their economic outlook.

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2017

REGIONAL

Many countries in Latin America and the Caribbean are facing a harsher world than they did just a few years ago. The growth outlook is weaker in advanced and emerging economies alike, while the gradual slowdown and rebalancing of economic activity in China is likely to keep commodity prices lower for longer. In 2016, average growth across the region was -0.9%, compared to 0.4% in 2015. Growth is expected to rebound to 1.6 percent in 2017, as global demand gradually picks up and domestic policy uncertainty declines.

Caribbean economies are either commodity based or service oriented (tourism). Growth in tourism-dependent economies was largely driven by increased visitor arrivals and related expenditures. However, the pace of growth for visitor arrivals has slowed. In 2016, the number of visitors increased by approx. 1.7%. This compares poorly with 2015 (4%) and 2014 (5.9%).

Despite the recent uptick in crude oil and natural gas prices, economic tightening is estimated for commodity exporters. With the exception of Guyana, countries that are predominantly commodity exporters saw their economies contract. Suriname declined by 9%, Belize by 1.2% and Trinidad and Tobago recorded a decline of 5%. Trinidad and Tobago was hit hard by the decline in oil and gas prices, and Suriname by lower commodity prices, the shutdown of aluminium production, and substantial but necessary fiscal consolidation. Growth has come to a halt in Belize, but Guyana continues to grow strongly, supported by two new large gold mines.

Barbados remains in deep financial difficulties because of the increased reliance on central bank financing of their still-high government deficit and the fall in international reserves. In March 2017, S&P Ratings lowered the country's long-term foreign and local currency sovereign ratings on Barbados to 'CCC+' from 'B-' with a negative outlook on the economy. The agency expect Barbados' net general government debt to continue to rise toward 111% of GDP over the next three years from 101% in 2016.

Jamaica's economic growth is gradually recovering, and growth is expected at 2.4% in FY2017/18, up from 1.7% in FY2016/17, driven mainly by various reforms and initiatives in the energy, manufacturing, agriculture, and tourism sectors. Also, an aggressive, ownership-driven reform agenda puts Jamaica as the consistently best regional performer in its Forbes Doing Business indices, notwithstanding the slight fall in ranking, the country is ranked the highest at 67.

In 2017, the Caribbean is projected to record positive growth across the board. Growth across the region is expected to average 1.7% in 2017, and will largely be driven by increased tourism activities, and construction mainly related to the tourism industry. Although the growth projection is better than 2016, it is still below where it needs to be to stimulate employment and reduce the persistently high debt levels.

PROVEN

Investments Limited

We would like to take this opportunity to thank all of our stakeholders for your support and trust.

Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.



Director



Director

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