KPMG
204 Johnsons Centre
#2 Bella Rosa Rd
Gros Islet
Saint Lucia

Telephone: (758) 453 2298
Email: ecinfo@kpmg.lc

Independent Auditors' Report on Review of Interim Financial Information

To the Members of
PORTLAND JSX LIMITED

Introduction

We have reviewed the accompanying November 30, 2018 condensed interim financial information of Portland JSX Limited ("the Company"), which comprises:

- the condensed statement of financial position as at November 30, 2018;
- the condensed statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended November 30, 2018;
- the condensed statements of changes in equity for the nine-month period ended November 30, 2018;
- the condensed statements of cash flows for the nine-month period ended November 30, 2018; and
- notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

Independent Auditors' Report on Review of Interim Financial Information (Continued)

To the Members of
PORTLAND JSX LIMITED

***Scope of Review* (continued)**

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying November 30, 2018 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG

Chartered Accountants
Saint Lucia

January 9, 2019

PORTLAND JSX LIMITED

Condensed Statement of Financial Position
November 30, 2018
(expressed in United States dollars unless otherwise stated)

	Note	**Unaudited** November 30, 2018	**Audited** February 28, 2018
ASSETS			
NON-CURRENT ASSET			
Financial investment, at fair value through profit or loss	4	22,495,717	22,065,065
CURRENT ASSETS			
Cash and short-term deposits		1,051,102	1,635,504
Securities purchased under resale agreements		1,084,732	1,935,759
Receivables		55,652	69,693
Taxation recoverable		35,933	31,560
		2,227,419	3,672,516
Total assets		$24,723,136	25,737,581
CURRENT LIABILITIES			
Other financial liabilities		31,203	43,899
Payables		44,835	30,511
Total liabilities		76,038	74,410
EQUITY			
Share capital		25,682,953	25,682,953
Accumulated deficit		(1,035,855)	(19,782)
Total equity		24,647,098	25,663,171
Total liabilities and equity		$24,723,136	25,737,581

The condensed interim financial information on pages 3 to 14 was approved for issue by the Board of Directors on January 9, 2019 and signed on its behalf by:

________________________ Chairman
Douglas Hewson

________________________ Director
Jonathan Murphy

The accompanying notes form an integral part of the condensed interim financial information.

PORTLAND JSX LIMITED

Condensed Statement of Profit or Loss and Other Comprehensive Income
Nine months ended November 30, 2018
(expressed in United States dollars unless otherwise stated)

		Unaudited			
		Three months ended November 30		Nine months ended November 30	
	Note	2018	2017	2018	2017
Income and fair value changes:					
Interest income on loans and receivables		10,811	21,962	49,040	165,177
Fair value adjustment on financial assets classified as at fair value through profit or loss		(113,389)	668,158	(551,463)	693,335
Distributions of partnership interest income		-	3,695	93,108	3,695
Other income		-	-	-	98
		(102,578)	693,815	(409,315)	862,305
Operating expenses		(190,330)	(190,262)	(604,509)	(579,697)
(Loss)/profit before taxation		(292,908)	503,553	(1,013,824)	282,608
Taxation		-	-	(2,249)	(306)
(Loss)/profit for the period, being total comprehensive (loss)/income		$(292,908)	503,553	(1,016,073)	282,302
(Loss)/earnings per stock unit	5	(0.09¢)	0.16¢	(0.33¢)	0.09¢

The accompanying notes form an integral part of the condensed interim financial information.

PORTLAND JSX LIMITED

Condensed Statement of Changes in Equity
Nine months ended November 30, 2018
(expressed in United States dollars unless otherwise stated)

	Unaudited		
	Share capital	Accumulated deficit	Total
Balances at February 28, 2017	25,682,953	(1,917,397)	23,765,556
Profit for the period, being total comprehensive income	-	282,302	282,302
Balances at November 30, 2017	$25,682,953	(1,635,095)	24,047,858
Balances at February 28, 2018	25,682,953	(19,782)	25,663,171
Loss for the period, being total comprehensive loss	-	(1,016,073)	(1,016,073)
Balances at November 30, 2018	$25,682,953	(1,035,855)	24,647,098

The accompanying notes form an integral part of the condensed interim financial information.

PORTLAND JSX LIMITED

Condensed Statement of Cash Flows
Nine months ended November 30, 2018
(expressed in United States dollars unless otherwise stated)

	Unaudited	
	Nine months ended November 30, 2018	Nine months ended November 30, 2017
Cash flows from operating activities		
(Loss)/profit for the period	(1,016,073)	282,302
Adjustments for:		
Fair value adjustment on financial assets classified as at fair value through profit or loss	551,463	(693,335)
Distributions of partnership interest income	(93,108)	(3,695)
Interest income	(49,040)	(165,177)
Tax expense	2,249	306
	(604,509)	(579,599)
Changes in operating assets and liabilities:		
Other financial liabilities	(12,696)	(28,846)
Payables	14,324	16,378
Cash used in operations	(602,881)	(592,067)
Interest received	63,081	195,595
Partnership distributions received	93,108	-
Taxation paid	(6,622)	(21,041)
Net cash used in operating activities	(453,314)	(417,513)
Cash flows from investing activities		
Financial investments, at fair value through profit or loss	(982,115)	(3,554,115)
Securities purchased under resale agreements	851,027	1,554
Net cash used in investing activities	(131,088)	(3,552,561)
Net decrease in cash and cash equivalents	(584,402)	(3,970,074)
Cash and cash equivalents at beginning of period	1,635,504	6,848,582
Cash and cash equivalents at end of period	$1,051,102	2,878,508

The accompanying notes form an integral part of the condensed interim financial information.

PORTLAND JSX LIMITED

Notes to the Condensed Interim Financial Information
Nine-month period ended November 30, 2018
(expressed in United States dollars unless otherwise stated)

1. The Company

Portland JSX Limited ("PJX" or "the Company") was incorporated in Saint Lucia on September 15, 2015 as an International Business Company ("IBC") with IBC number 2015-00335, and commenced operations on October 1, 2015. The registered office of the Company is located at the offices of McNamara Corporate Services Inc., 20 Micoud Street, Castries, Saint Lucia. The primary business of the Company is that of a Limited Partner in Portland Caribbean Fund II ("the Fund"). The Fund has an upfront five year commitment period to make investments within a term of 10 years, ending July 2024, with the possibility of two additional consecutive one-year terms.

PJX is an equity investment vehicle through which Jamaican pension plans, as well as other eligible investors, invest to gain access indirectly to quality investments in the Latin American & Caribbean (LAC) region. The Company is listed on the Jamaica Stock Exchange.

Portland Private Equity II, Ltd., a Barbados exempted limited company (the "Barbados Management Company") and PPEC Inc., a Canadian company (the "Canadian Management Company" and together with the "Barbados Management Company", "Management Companies" or "Managers") are responsible for managing the assets of the Fund, including investigating, analysing, structuring and negotiating potential portfolio investments and monitoring the performance of portfolio investments.

Portland JSX Limited and the Partnership

Under the Partnership Agreement, distributions and allocations to the partners, and management fees are dealt with in the following manner:

(1) Distributions and allocations:

(a) income, gains, losses, deductions and credits arising in connection with Short-Term Investments, are allocated in proportion to their relative Capital Contributions, and;

(b) Distributions of Disposition Proceeds and Other Portfolio Income received in respect of any Portfolio Investment shall initially be apportioned among the Participating Partners based on their respective Capital Contributions attributable to such Investment. The amount apportioned to the General Partner pursuant to the preceding sentence shall be distributed to the General Partner. The remaining amount apportioned to each Limited Partner that is a Participating Partner shall be further apportioned between (i) such Limited Partner on the one hand and (ii) the General Partner on the other hand, except as otherwise provided in the Agreement, in the following amounts and order of priority:

(i) first, 100% to such Limited Partner, until such Limited Partner has received total distributions equal to its total Capital Contributions to the Partnership.

(ii) second, 100% to such Limited Partner until such Limited Partner has received total cumulative distributions equal to a preferred return of 8% per annum, compounded annually, on all amounts distributed in accordance with paragraph (i) not previously made to such Limited Partner.

1. The Company (continued)

Portland JSX Limited and the Partnership (continued)

(1) Distributions and allocations (continued):

(b) (continued)

(iii) third, 100% to the General Partner until cumulative distributions to the General Partner equals 20% of the aggregate amount of the distributions made under paragraph (ii) and this paragraph.

(iv) thereafter, 20% to the General Partner and 80% to such Limited Partner.

(2) Management fees and other charges:

Management fees are computed at 2% of Limited Partners' commitments. The Management fee will be reduced to 1.75% of unreturned invested capital beginning on the earlier of the end of the commitment period and the date on which a successor fund begins to prepay management fees.

Each Limited Partner is required to bear its portion of management fees and all other partnership fees and expenses, including organisational expenses from the partnership commencement date based on its pro rata share of capital commitments.

In admitting additional Limited Partners or accepting additional Capital Contributions or Capital Commitments from existing Partners, each Limited Partner is treated as having been a party to the Agreement, and each increased Capital Commitment is treated as having been made, as of the Partnership Commencement Date.

2. Summary of significant accounting policies

(a) Basis of preparation

(i) Statement of compliance

The interim financial information is prepared in accordance with IAS 34 *Interim Financial Reporting.* It does not include all the information required for a complete set of general purpose financial statements prepared in accordance with International Financial Reporting Standards. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and results of operations since the date of those audited financial statements.

Except as described below, the accounting policies applied in this condensed interim financial information is the same as those applied in the Company's audited financial statements, as at and for the year ended February 28, 2018.

The Company has adopted the following standards during the period:

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Statement of compliance (continued)

- IFRS 15 *Revenue from Contracts with Customers*

  IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions Involving Advertising Services*.

  Based on management's review, the adoption of IFRS 15 did not have a material impact on the timing and recognition of revenue.

- IFRS 9 *Financial Instruments*

  IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS *39 Financial Instruments: Recognition and Measurement*. IFRS 9 largely retains the existing requirement in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held-to-maturity, loans and receivables and available for sale.

  (i) Classification and measurement

  Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instruments; FVOCI – equity; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

  - A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

  - A debt investment is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) Statement of compliance (continued)

- IFRS 9, *Financial Instruments* (continued)

(i) Classification and measurement (continued)

- All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

There was no effect on the measurement amounts of financial instruments as at March 1, 2018, consequent on the adoption of IFRS 9.

(ii) Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL model). The new impairment model applies to financial assets measured at amortised cost and debt instruments at FVOCI, but not to investments in equity instruments.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not.

The Company has determined that the application of IFRS 9 impairment requirements at March 1, 2018 did not have a material impact on these interim financial statements.

(ii) Basis of measurement

The financial information has been prepared on the historical cost basis, modified for the revaluation of financial assets at fair value through profit or loss.

(iii) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iii) Use of estimates and judgments (continued)

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(iv) Functional and presentation currency

Except where indicated to be otherwise, the condensed interim financial information is presented in United States dollars, which is the Company's functional currency.

(b) Taxation

(i) The Company is subject to tax at 1% of its taxable income in Saint Lucia. Taxation on the profit or loss for the period comprises current and deferred taxes. Current and deferred taxes are recognised in profit or loss.

Current tax charges are based on the taxable profit for the period, which differs from the profit before tax reported because it excludes items that are taxable or deductible in other periods, and items that are never taxable or deductible. The current tax is calculated at tax rates that have been enacted at the reporting date.

(ii) Deferred tax

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised. Deferred tax assets are reviewed at each reporting date to determine whether it is probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

(c) Net gain from financial assets classified as at fair value through profit or loss

Net gain from financial instruments classified as at fair value through profit or loss includes all realised and unrealised fair value changes but excludes interest, and distributions of partnership income.

3. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that could affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The fair value of the Company's unquoted investment in Portland Caribbean Fund II ('the Fund') is based on the fair values of the Fund's underlying investments, which include common equity securities and corporate debt. The fair value of such underlying investments uses valuation models that employ significant unobservable inputs for investments that are traded infrequently or not at all. These unobservable inputs require a higher degree of management judgment and estimation in determining the fair value.

Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows from the financial instrument being valued, determination of expected volatilities and correlations, and selection of appropriate discount rates.

Consequently, the use of different assumptions and inputs could yield materially different results in the fair value of the Company's investment in the Fund from that reflected in the statement of financial position.

4. Financial investment, at fair value through profit or loss

This represents an unquoted equity investment in the Fund. The Fund is managed by Portland Private Equity II, Limited and its principal activity is to make private equity and related investments in companies or other entities located principally in certain member and associate member states of CARICOM, certain Development Assistance Committee Countries and certain Cotonou Agreement Countries, (the "Target Region"). Cuba, Mexico and Venezuela are excluded from the Target Region. The Fund will also make investments in businesses, the securities of which have no established market and may be restricted with respect to transfer, with the principal objective of appreciation of invested capital. During the nine-month period ended November 30, 2018, the Company invested a further $982,115 in the Fund. Of this amount, $710,157 represents monies injected into PCF II on November 21, 2018 to fund an upcoming capital call with a due date of December 7, 2018.

5. (Loss)/earnings per stock unit

(Loss)/earnings per stock unit is calculated by dividing the (loss)/income for the period by the weighted average number of ordinary shares in issue for the period of 309,968,261 (2017: 309,968,261).

6. Capital management

The Company has made capital commitments to the Fund which obligates the Company to remit funds, cumulatively not to exceed the amount of the capital commitment, upon receipt of capital call notices.

6. Capital management (continued)

The Company may co-invest with the Fund in equity or debt securities of private companies located in the Caribbean and Latin America. The Company is permitted to participate in co-investments on a no fee/ no carry basis up to the amount of its capital commitment and thereafter on a negotiated basis.

In addition, the Company may borrow up to 25% of its total assets after giving effect to the borrowing. The Company has no intention to utilise leverage as a strategy, however, borrowing may be required to fund working capital and act as a buffer to cover cash flow timing differences.

7. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument.

For financial instruments which have no market prices, the fair value has been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The Company measures fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The valuation of investments at fair value through profit or loss is as described in note 3.

PORTLAND JSX LIMITED

Notes to the Condensed Interim Financial Information
Nine-month period ended November 30, 2018
(expressed in United States dollars unless otherwise stated)

7. Fair value of financial instruments (continued)

Accounting classifications and fair values:

The Company's investment in unquoted investments measured at fair value is classified at level 3 of the fair value hierarchy and there were no transfers between levels in the period.

The following table shows the valuation techniques used in measuring the fair value of the Fund's unquoted investments, as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Investment in unquoted partnership Market comparable companies	• Adjusted EBITDA multiple range of 7.05-10.76 times • 15% liquidity discount	The estimated fair value would increase/(decrease) if: • Adjusted EBITDA was higher/(lower) • The liquidity discount was (higher)/lower
Loan to investee Recoverable value of loan amount	• Estimated cash flows from loan • Risk-adjusted discount rate	The estimated fair value would increase/(decrease) if: • Estimated cash flows increased/(decreased) • Market interest rates (increased)/decreased