

# **PORTLAND JSX LIMITED (PJX)**

## **MINUTES OF THE ANNUAL GENERAL MEETING OF PJX HELD AT THE OFFICES OF MCNAMARA CORPORATE SERVICES INC., BELLA ROSA ROAD, GROS ISLET, ST. LUCIA ON WEDNESDAY 9<sup>th</sup> SEPTEMBER 2020 AT 11.00 A.M.**

### **Present:**

Douglas Hewson	Board Chairman (by teleconference)
Patrick McDonald	Director (by teleconference)
Patricia Francis	Director (by teleconference)
Jonathan Murphy	Director (by teleconference)
Shareholders by Proxies	See List Attached

### **In Attendance:**

Robert Almeida	Managing Partner, PPE (by teleconferencing)
Joe Vescio	Managing Partner, PPE (by teleconferencing)
Rhory McNamara	MCSI Inc., Company Secretary

### **1. CALLED TO ORDER AND CONFIRMATION OF QUORUM**

The meeting was called to order at 11.00 a.m. and Director Doug Hewson chaired the meeting. A quorum was noted as present via persons in attendance at the satellite location in Jamaica and by proxies received.

### **2. APOLOGIES FOR ABSENCE**

Apologies for late arrival were received for Directors Patricia Francis and Jonathan Murphy.

### **3. CHAIRMAN'S WELCOME REMARKS**

The Chairman formally welcomed members and attendees to the 4<sup>th</sup> Annual General Meeting of the Company and acknowledged the circumstances of the Covid-19 Pandemic which resulted in the inability of board and members to travel. As such, a virtual Annual General Meeting was being held with members being present via livestream. He informed members present that questions would be taken at appropriate times and responded to via the virtual chatroom medium throughout the duration of the meeting.

The Chairman expressed his satisfaction with the manner in which the various companies have continued to successfully remain operational under the current Covid-19 circumstances and thanked management and their team for their efforts in maintaining the health and safety of themselves and their valued customers.

#### **4. CIRCULATION OF MINUTES**

It was noted that the minutes of the last AGM were previously made available for review via the Company's website.

#### **5. COMPANY PERFORMANCE OVERVIEW**

Mr. Almeida briefed members on the current position of the Company and its various investment portfolios:

##### **UPDATE ON PRIVATE EQUITY FUND**

Mr. Almeida made reference to discussions held at the last AGM, where members were briefed on the investment cycle of the private equity fund. Due to the onset of the Covid-19 pandemic there has been an adverse impact on performance. The current valuation of the fund is said to be at approximately US \$180m. Mr. Almeida explained that the impact was not catastrophic and that returns in the region of US \$15m should still be expected to be booked before the end of 2020.

##### **COVID-19 IMPACT ON PORTFOLIO COMPANIES**

Mr. Almeida expressed his sincere gratitude to all employees throughout the various portfolio companies who prioritized health and safety of themselves and consumers and as such, were able to remain fully operational throughout the Covid-19 pandemic. He made special mention of the portfolio's essential service companies which continue to provide exceptional customer services to its numerous clients across the various sectors including telecommunications, health care and electricity.

Mr. Almeida informed members that due to the occurrence of the Covid-19 pandemic, management was required to make a few adjustments to its method of operations and as such, liquidity was of a big focus to allow for an availability of cash. The various portfolios are also well diversified, and this allowed the Fund in large part to mitigate the adverse economic impact from Covid-19. He expressed optimism in the ability of the portfolio companies to outperform during their recovery period and has assured that management will continue to operate in a manner in which both the safety of its employees and customers remain of paramount importance.

With regard to direct economic impact to the portfolios from Covid-19, Mr. Almeida made mention of two holding companies within the tourism and hospitality sector respectively, which he deemed to be in the 'eye of the economic storm'. Merqueo S.A.S has been positively impacted by the occurrence of this pandemic and is a significant beneficiary from the emergence of e-commerce as it is an e-grocery company and has since been essential in providing that service to its business communities.

Diverze Assets Inc (DAI), which is a company controlled by a Jamaican family, has part ownership in Chukka Caribbean Adventures Ltd (CCA), a leading operator of tourism attraction and tours in Jamaica. Given the current restrictions and limitations of regional

and international travel, management has realized a loss in revenue generated by the Company during this untimely period.

Mr. Almeida informed members that the overall adverse impact throughout the portfolio companies accounts for an approximately 10% loss however, overall value creation expectations for the portfolios still remained unchanged albeit delayed by about one to two years. Management remained optimistic in its ability to alleviate the temporary negative effects which were reflected throughout the portfolio.

### HIGHLIGHTS FROM EXISTING PORTFOLIO

- Liberty Latin America (LILA)- has seen growth through the acquisition of AT&T assets in Puerto Rico and Telefonica's assets in Costa Rica. LILA's impact on Cable & Wireless Communications (CWC) is expected to be positive. Covid-19 impact assessed as low; employee safety has been good with few Covid-19 cases with all in the recovered or fully recovered phase. Management has taken steps to enhance Health and Safety standards above its already high standard.
- Panama Wind (IEH Penonome Holdings)- cash flow generating asset has provided excellent preservation of capital qualities. Covid-19 impact assessed as low and management has implemented extreme cleaning measures throughout plants and offices and all travel has been suspended.
- Clarien Bank Limited (CBL)- revenue and cost synergies expected to be gained from merger into a larger Caribbean financial institution. Covid-19 impact assessed as low as employee safety has been well managed and management has further enhanced its Health and Safety standards above its already high standard.
- Immaculada Guadalupe & Amigos en cia S.A. (IGA)- significant anticipated potential for value creation through expansion and realization of synergies. Covid-19 impact assessed as high due to closure of main restaurants which has created a deep revenue drop-off. Exposure risk to employees and customers assessed as high and management has since established a detailed action plan for operations and are actively working on reinvention of business through over 30 different initiatives.
- InterEnergy Holdings (InterEnergy)- strong cash generating business as a result of multi-year contracts, low loss ratio and increasing customer demand. Covid-19 impact assessed as low and management has implemented extreme cleaning measures throughout plants and offices and all travel has been suspended.
- Productive Business Solutions (PBS)- has seen growth of existing business through efficiency improvements. Covid-19 impact assessed as medium as collections have slowed, thereby pressuring working capital and there has been some disruption to supply/distribution channels. Management has further enhanced its Health and Safety standards above its already high standard.
- Diverze Assets Inc. (DAI)- development of real estate properties and potential local and regional acquisitions are anticipated for both Chukka and Tropical Battery. Covid-19 impact assessed as high as there has been significant impact on revenues driven by

the heavy dependence on tourism as well as delayed payments from clients including hotels and small businesses. Management has further enhanced its Health and Safety standards above its already high standard.

- Merqueo S.A.S (Merqueo)- significant market opportunity has been confirmed by solid performance to date. Covid-19 impact assessed as high as the pandemic has contributed to the Company experiencing higher than expected growth which creates positive stresses on working capital and operations. Management has since maintained a rigorous cash conservation approach through implementation of different cost cutting initiatives, balanced with keeping the expansion efforts required to capitalize on significant momentum arising from current crisis. Employees are protected through the implementation of remote work plans and rigorous hygiene measures at company warehouses.
- Facey Telecom Limited (Facey)- has seen growth of existing business through efficiency improvements and growth of logistics business throughout the Caribbean and Latin America. Covid-19 impact assessed as medium as the demand for airtime is expected to remain robust however handset sales and logistics support are expected to be negatively impacted. Management has further enhanced its Health and Safety standards above its already high standard and updated and enhanced a more robust work at home model.
- Outsourcing Management Limited (itelbpo)- has seen growth of existing client portfolio and business expansion through new client acquisitions. Covid-19 impact assessed as high as the demand impacted particularly for clients in hospitality segments and longer-term client growth may be impacted as businesses are focused on recovery versus outsourcing. Management has further enhanced its Health and Safety standards above its already high standard and increased the number of work-at-home agents across the group.

## **6. REVIEW OF AUDITED FINANCIAL STATEMENTS**

The audited financial statements for the financial year ended February 29, 2020 were reviewed by Mr. Vescio and the following highlights were noted (*expressed in United States Dollars*):

- With reference to the balance sheet, the most noticeable change was that of an increase in the fair value of the investment in PCF II KY in the amount of \$5,115,068 which was attributable to three additional investments totalling \$3,037,679 and a revaluation of the portfolio during the reporting year.
- Operating expenses were \$828,343 for the year as opposed to \$802,675 in the previous year, which included payment of fund management fees and corporate operating expenses.
- Income and fair value changes were \$10,280 as opposed to \$55,191. This major change in income was particularly due to the new investments made by the Company.

Mr. Vescio added that overall, there were not many significant changes made with respect to financial activity for the financial year. He expressed gratitude to KPMG, the Company's

auditors for their relentless effort in ensuring that these financial statements were prepared and made available, given the current circumstances.

Thereafter, the floor was opened for questions on the overall review of the Company and the Financial Statements. The Chairman noted that there were no questions/queries posed with respect to either.

## **7. REVIEW AND APPROVAL OF RESOLUTIONS**

Members acknowledged that notice was previously given that the following ordinary resolutions be considered, and if thought fit, be passed at this Annual General Meeting:

### 1. Directors and Auditors Reports and Audited Financial Statements

**“THAT the Audited Financial Statements of the Company for the year ended February 29, 2020 together with the Reports of the Directors and the Auditors thereon, be and are hereby adopted.”**

On a motion moved by Proven Wealth Ltd. and seconded by Guardian Life Ltd., the above resolution was adopted.

### 2. Re-appointment of Auditors

**“THAT KPMG, Chartered Accountants of 204 Johnsons Centre, #2 Bella Rosa Road, Gros Islet, Saint Lucia, having agreed to continue in office as Auditors of the Company, be and are hereby re-appointed to hold office until the next annual general meeting of the Company AND THAT their remuneration be determined by the Directors.”**

On a motion moved by Proven Wealth Ltd. and seconded by Guardian Life Ltd., the above resolution was adopted.

### 3. Remuneration of Directors.

**“THAT the amount shown in the audited accounts of the Company for the year ended February 29, 2020 as remuneration to the Directors for their services as Directors be and is hereby approved.”**

On a motion moved by Guardian Life Ltd. and seconded by ATL Group Pension Fund, the above resolution was adopted.

## **8. TERMINATION**

There being no other business, the meeting terminated at 11:43 a.m.



CHAIRMAN

November 20, 2020

DATE

**List of Shareholders represented by Proxies Doug Hewson/Rhory McNamara**

<b>Name</b>	<b>Present</b>	<b>Proxy</b>
Grace Kennedy Limited Pension Scheme (Proven Wealth Limited)	By proxy	Doug Hewson/ Rhory McNamara
ATL Group Pension Fund Trustees Nominee Limited	“	“
Victoria Mutual Wealth Equity Fund (VM Wealth Management Limited)	“	“
Prime Asset Management JPS Employees Superannuation Fund (VM Pensions Management Limited)	“	“
Guardian Life Limited – Guardian Equity Fund	“	“
Guardian Life Limited – Surplus Fund	“	“
Guardian Life Limited – Pooled Equity Fund	“	“
Guardian Life Limited – Pooled Pension Fund	“	“
Guardian Retirement Scheme Diversified Fund	“	“
Guardian Retirement Scheme Equity Fund	“	“
Guardian Retirement Scheme International Equity Fund	“	“
Portland Fund II GP, Inc. (Preference Shareholders)	“	“