



PORTLAND

JSX LIMITED

**MAIN MARKET**

PROSPECTUS 2016



THIS PROSPECTUS (THE "PROSPECTUS") IS DATED May 31, 2016 AND IS ISSUED BY PORTLAND JSX LIMITED (THE "COMPANY"). THIS PROSPECTUS IS ISSUED BY THE COMPANY IN JAMAICA ONLY AND IS NOT TO BE CONSTRUED AS MAKING AN INVITATION OR OFFER TO PERSONS OUTSIDE OF JAMAICA TO SUBSCRIBE FOR SHARES OR OTHER SECURITIES. FOREIGN LAWS MAY PROHIBIT THE DISTRIBUTION OR PUBLICATION OF THIS PROSPECTUS AND THE MAKING OF THE INVITATION OUTSIDE OF JAMAICA.

A copy of this Prospectus was delivered to the Registrar of Companies for registration in accordance with section 372(4) of the Companies Act, 2004 and was so registered on May 31, 2016]. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus. A copy of this Prospectus was also delivered to the Financial Services Commission ("FSC") for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on May 31, 2016 The FSC has not approved the Shares for which subscription is invited nor has the FSC passed upon the accuracy or adequacy of this Prospectus.



**Invitation for Subscription**  
**of**  
**111,818,182 Ordinary Shares for sale at the price of up to \$11.00 per Ordinary Share**

The Company invites Applications on behalf of itself for **111,818,182** Ordinary Shares in the Invitation of newly issued shares.

An Application for use by Applicants is provided at the end of this Prospectus together with notes on how to complete it (See Appendix 2). The invitation for the Shares will open at 9:00 a.m. on the Opening Date. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date.

The invitation for the Ordinary Shares will close at 4:30 p.m. on the Closing Date subject to the right of the Company to: (a) close the invitation at any time after it opens on 9:00 a.m. on the Opening Date once the issue is fully subscribed and (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days after the publication of this prospectus for the purposes of section 48 of the Companies Act. In the case of an extension to the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange ([www.jamstockex.com](http://www.jamstockex.com)).

It is the intention of the Company to apply to the Jamaica Stock Exchange (JSE) for admission of the Ordinary Shares to the Main Market. The application to the JSE is dependent on the Company's ability to (i) raise at least \$100,000,000.00 as a result of the Invitation and (ii) meet the criteria for admission.

If, however, the Company does not raise at least \$100,000,000.00 it will not make application for the Ordinary Shares to be admitted to the Main Market of the JSE and all payments for Shares received from Applicants will be returned (or refunded in full) to the Applicants. Further, if the Company raises at least \$100,000,000.00 but does not meet the criteria for admission all payments for Shares received from Applicants will be returned (or refunded in full) to the Applicants. Please note that interest does not accrue on balances that are to be refunded to Applicants and the J\$134 JCSD processing fee will not be refunded to an Applicant in the event that the Invitation is not successful as previously mentioned.

## SHARE CAPITAL

Authorised Ordinary Shares	<b>Unlimited</b>
Number of new Ordinary Shares to be issued in the Invitation	<b>111,818,182*</b>

*\*The Directors reserve the right to accept subscriptions in an amount in excess of the stated raise and will issue and allot additional Shares to satisfy as much of the applications in excess of the stated raise as they, in their sole discretion, shall determine appropriate.*



## CONSIDERATION

Total consideration assuming all Shares in the Invitation are fully subscribed by the persons entitled to them:

	\$
111,818,182 Shares for the general public at \$ 11.00 each	1,230,000,002
<b>Total Consideration</b>	<b>1,230,000,002</b>

Due to the Company in respect of the 111, 818,182 Shares for subscription: **1,230,000,002**

Prospective Applicants are encouraged to seek the advice of an independent financial professional, attorney-at-law or chartered accountant before making an investment decision.

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# SECTION 1:

## IMPORTANT DISCLAIMERS

### Responsibility for the Contents of this Prospectus

This Prospectus has been reviewed and approved by the Board of Directors of the Company. The Directors of the Company are the persons responsible (both individually and collectively) for the information contained in it. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein. No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

### Contents of this Prospectus

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application.

This Prospectus also contains summaries of certain documents, which the Directors believe are accurate. Prospective investors may wish to inspect the actual documents that are summarised, copies of which will be available for inspection as described in Section 16. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document. The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

### Unauthorised Representations

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus. Neither the FSC nor any government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

## Invitation Made in Jamaica Only

This Prospectus is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any Shares. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

## Application to Subscribe for Ordinary Shares

This Prospectus is not a recommendation by the Company that prospective investors should submit Applications to subscribe for Ordinary Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Ordinary Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Ordinary Shares, including but not limited to any tax implications. Each Applicant who submits an Application acknowledges and agrees that:

- (1) he/she has been afforded a meaningful opportunity to review this Prospectus and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
- (2) he/she has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision;
- (3) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application; and
- (4) the Applicant is aware of the merits and risks of subscribing for Shares in the Company notwithstanding the Risk Factors set out in Section 13.

## SECTION 2:

# SUMMARY OF KEY INFORMATION ON THE INVITATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus. You are advised to read this entire Prospectus carefully before making an investment decision about this Offer. Your attention is specifically drawn to the Risk Factors in Section 12 of this Prospectus. If you have any questions arising out of this document or if you require any explanation, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

<b>Issuer:</b>	Portland JSX Limited.
<b>Securities:</b>	up to 111,818,182 Ordinary Shares.
<b>Invitation:</b>	\$11.00 per ordinary share payable in full on delivery of an application.
<b>Minimum Subscription</b>	Applicants must request a minimum of 500 Ordinary Shares. Applications above this amount must be made in multiples of 100.
<b>Application:</b>	SEE APPENDIX 2 FOUND AT THE END OF THIS PROSPECTUS.
<b>Payment Method:</b>	(1) Manager's cheque made payable to "Victoria Mutual Wealth Management Limited";  (2) cleared funds held in an investment account in the Applicant's name at VM Wealth (supported by an authorisation from the Applicant instructing VM Wealth to make payment from that account.;





## SECTION 3:

# LETTER TO PROSPECTIVE INVESTORS

Dear Prospective Investor:

The Directors of the Company are pleased to invite you to subscribe and purchase Ordinary Shares in the capital of the Company on the terms and conditions set out in this Prospectus.

The team at Portland Private Equity (the “Portland Team”/ “Portland”) believes that the creation of wealth is a critical ingredient in solving the issues faced by countries, institutions and individuals. As such we are dedicated to providing solutions that have the potential to help clients earn increased returns with reduced risk while meeting their needs for capital preservation, growth, income, liquidity and tax optimization.

Today, we are delighted to extend an invitation to subscribe to the offering of Shares in Portland JSX Limited (“PJX”). PJX was created to provide Jamaican investors access to quality investments in the Caribbean and Latin America. Unlike peers in other markets which have optimized their portfolio risk and returns by diversifying their portfolios globally and making substantial use of private equity investments, most Jamaican institutions have been prevented from this investment best practice by regulatory or other constraints.

Since 2002, Portland has been an active investor of proprietary capital and third party institutional capital in Jamaica and throughout the Caribbean. PJX is an investor as a limited partner in Portland Caribbean Fund II (“Fund II”). Fund II is a successor to Portland’s inaugural private equity fund, AIC Caribbean Fund (“Fund I”). Fund I is a USD225M fund invested between 2007 and 2012, which has been successful on many levels, for both investors, Jamaica, and the broader Caribbean region. The Portland Team built a focused portfolio of 6 investments, 4 of which have now been fully realized. Its success has been along multiple dimensions:

*USD Returns:* By delivering USD 2.4x total value to paid in capital return to date (17% net internal rate of return), Fund I has helped establish the Caribbean as an investment destination for foreign investment. With 2 portfolio companies remaining, we expect to improve on our performance.

*Mobilizing Capital:* While being relatively small in the global private equity world at USD\$225 million, its impact in terms of the region has been outsized. Fund I portfolio companies represented over USD 2 billion of capital employed in the region.

*Fundamental Sectors:* Fund I co-founding investments in companies like Columbus International Inc. and InterEnergy Holdings have facilitated improvements in fundamental sectors such as telecommunications and energy/renewable energy; sectors where efficiency improvements enable other sectors to be developed and grow (e.g. BPO). Many investment opportunities remain in essential services throughout the Caribbean, and Fund II is well positioned to pursue them.

*Strong Regional Businesses:* Our portfolio companies in Fund I and Fund II are indigenous to the Caribbean. They are large contributors to a country's tax base and involved at the community level in many ways. The Caribbean needs more strong indigenous businesses and, consistent with our Fund I experience, we believe Fund II will play a key role in investing and developing several.

*Environmental, Social and Governance ("ESG"):* Portland adheres to international best practice throughout its investment lifecycle with respect to ESG. We have been leaders in environmental areas (particularly see our second investment in Fund II, a 215MW wind energy business), ensure our companies adhere to national and global social standards, and work with every portfolio company in corporate governance areas. With several development financial institutions as part of Fund II, we benefit from their insights and sharing of best practices.

With Fund II, Portland is seeking to replicate the success of Fund I – in simple terms, it is the same team executing the same strategy but with the benefits of lessons learned. Our view is that the Caribbean remains overlooked and underserved by equity capital providers. With Fund II, we continue our strategy of investing in scalable businesses in defensive industries while exploiting this capital gap for the benefit of our investors. The Team believes we are off to a good start. We have closed on USD136M with leading global emerging market investors, have completed three investments in sectors we find very attractive on a risk adjusted basis (wind energy, telecommunications and financial services), have a strong pipeline of investment opportunities, and have an investment team that is passionate about making a difference. As an investor increasing its capital commitment to Fund II, PJX and, by extension PJX shareholders, will benefit from a look-back into current fund portfolio.

Over a period of 20+ years, the Portland Team has consistently been pioneers in identifying opportunities that others have missed or were not prepared to work on. The Portland Team has a passion for these opportunities and we are inviting you to participate in the next chapter through investing in Portland JSX Limited.

On behalf of the Board of Directors,



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DOUGLAS HEWSON  
**Chairman**  
**Portland JSX Limited**

**SECTION 4:****DEFINITIONS USED IN THIS PROSPECTUS**

<b>Act</b>	The Companies Act, 2004.
<b>Allotment</b>	The allotment of the Shares to successful Applicants by the Company.
<b>Applicant</b>	A person (being an individual or a body corporate) resident in Jamaica who submits an Application.
<b>Application</b>	The form of application to be used by all Applicants who wish to make an offer to subscribe for Shares in the Invitation, which is set out in in the Appendix 2.
<b>Articles</b>	The Articles of Association of the Company together with any amendments thereto.
<b>Audited Financial Information</b>	The audited accounts for the period October 1, 2015 – February 29, 2016 and set out in Section 12.
<b>Board of Directors</b>	The Board of Directors of the Company, details of which are set out in Section 8 of this Prospectus.
<b>CARICOM Double Taxation Treaty</b>	Agreement among the governments of the member states of the Caribbean community for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, profits or gains and capital gains and for the encouragement of regional trade and investment (1994).
<b>Company</b>	Portland JSX Limited, an International Business Company incorporated in St Lucia on September 15, 2015 (No. 2015-00335).

<b>Closing Date</b>	The date on which the invitation in respect of the Invitation closes, being 4:30 p.m. on June 22 2016, subject to the right of the Company to shorten or extend the period in the circumstances set out in this Prospectus.
<b>Financial Information</b>	The Audited Financial Information.
<b>FSC</b>	The Financial Services Commission of Jamaica.
<b>Fund I</b>	AIC Caribbean Fund, Portland’s inaugural private equity fund.
<b>IBC</b>	International Business Company.
<b>Invitation</b>	The invitation to subscribe for 111,818,182 Shares made by the Company on the terms and conditions set out in the Prospectus.
<b>Invitation Price</b>	\$11.00 per Ordinary Share.
<b>JSE</b>	The Jamaica Stock Exchange Limited, a company incorporated under the laws of Jamaica with its registered and principal office at 40 Harbour Street, Kingston.
<b>Main Market</b>	The main trading platform of the JSE.
<b>LAC</b>	Caribbean and Latin American region
<b>Lead Broker or Arranger</b>	VM Wealth Management Limited.
<b>Manager</b>	Portland Private Equity II, Ltd.
<b>Opening Date</b>	The date on which the invitation in respect of the Invitation opens, being 9:00 a.m. on June 8 , 2016.
<b>Ordinary Shares</b>	The ordinary shares in the capital of the Company.
<b>Portland Team/ Portland</b>	Portland Private Equity, the team managing all the Portland entities.
<b>PCF II or “Fund II”</b>	Portland Caribbean Fund II, which comprises of Portland Caribbean Fund II, L.P. a Caymanian limited partnership and several parallel partnerships.

<b>Prospectus</b>	This document which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act.
<b>Registrar &amp; Paying Agent</b>	Jamaica Central Securities Depository Limited, 40 Harbour Street, Kingston, Saint Andrew or such other person as may be appointed by the Issuer from time to time to provide the services of registrar and paying agent for the Issuer.
Shares	The Ordinary Shares in the Company.
Shareholders	Holders of the Shares.
Terms and conditions	The terms and conditions of the Invitation set out in Section 6.5 of this Prospectus.
VM Wealth	VM Wealth Management Limited, a company incorporated under the laws of Jamaica with principal office at 53 Knutsford Boulevard, Kingston 5.

## SECTION 5:

### DISCLAIMER: FORWARD LOOKING STATEMENTS

Certain matters discussed in this Prospectus contain forward-looking statements including, but not limited to, statements of expectations, future plans or future prospects, and pro forma financial information and/or financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Directors believe that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Company to the Main Market of the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in the light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and regional economies, instability, high domestic interest rates or exchange rate volatility in domestic interest rates and regional and international exchange rates that impact on the strategic business plan of the Company



and/or on the Financial Information.

- adverse climatic events and natural disasters.
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company.
- any other factor negatively impacting on the realisation of the assumptions on which the Company's Financial Information is based.
- other factors identified in this Prospectus.
- factors as yet unknown to the Company.

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.

## SECTION 6:

# THE INVITATION

### 6.1 General Information

Prospective investors should read this entire Prospectus carefully. Those prospective investors who wish to subscribe for Ordinary Shares should review the full terms and conditions of the Invitation set out in Section 6.5 before completing the Application set out in Appendix 2.

### 6.2 Minimum Fundraising

The minimum amount which, in the opinion of the Directors, must be received by the Company as a result of the subscription of its Ordinary Shares in the Invitation in order to provide for the matters set out in paragraph two of the Third Schedule to the Act is J\$100,000,000.00 (“the Minimum Amount”). In the event that the Invitation is successful in raising at least the Minimum Amount, the Company will apply to list all of the Shares on the Main Market of the JSE. This is not a guarantee that the application to list either class of Shares (which must be reviewed and granted by the Listing Committee of the Board of the JSE), will be successful. If the Invitation is not successful in raising at least the Minimum Amount by the Closing Date (or any extension thereof) the Company will not apply to list the Ordinary Shares on the Main Market of the JSE and all amounts received from Applicants will be refunded. If the Invitation is successful in raising at least the Minimum Amount by the Closing Date (or any extension thereof) and the Company makes an application to the JSE to list the Ordinary Shares on the Main Market that is not granted, all amounts received from Applicants will be refunded. Please note that interest does not accrue on balances that are to be refunded to Applicants and the J\$134 JCSD processing fee will not be refunded to an Applicant in the event that the Invitation is not successful.

### 6.3 Use of Proceeds Arising from the Subscription of Shares:

The Company intends to use the proceeds of the Invitation for the following:

- To invest primarily as a limited partner in Portland Caribbean Fund II, L.P., a private

equity fund, which holds a portfolio of equity or debt securities of companies, located in the Caribbean and Latin America the majority of which, over the life of PCF II, are expected to be private. PCF II's objective is to provide above average returns over the long term primarily by investing in undervalued companies with good potential for growth in their respective sectors.

- Payment of the expenses of the Invitation, which, the Company estimates, will be approximately \$ 47,099,285.00 including the following:

Arranger, Brokerage and Financial Advisory fees	\$	36,600,000.00
Legal Fees	\$	4,800,000.00
Statutory fees and initial listing fees	\$	699,285.00
Marketing and other miscellaneous costs	\$	5,000,000.00
<b>Total</b>	<b>\$</b>	<b>47,099,285.00</b>

## 6.4 Key Dates

An Application for use by all Applicants is provided at the end of this Prospectus together with notes on how to complete it (See Appendix 2). The invitation will open at 9.00 am on the Opening Date and will close at 4:30 p.m. on the Closing Date subject to the right of the Company to:

- (a) close the invitation at any time after 9:00 a.m. on the Opening Date once the issue is fully subscribed, and
- (b) to shorten or extend the Closing Date for any reason provided that it does not extend beyond the expiration of 40 days after the publication of this prospectus for the purposes of section 48 of the Act.

In either case the Company will arrange for a notice to be posted on the website of the JSE ([www.jamstockex.com](http://www.jamstockex.com)).

## 6.5 Terms and Conditions for Applicants

- (1) All Applicants must submit the Application provided in the Appendix 2 to this Prospectus.

All completed Application Forms must be delivered to VM Wealth at any of the offices of Victoria Mutual Wealth Management Limited, including the following locations:

<p><b>KINGSTON</b></p> <p>53 Knutsford Boulevard Kingston 5 Telephone: (876)- 960-5000-3</p>	<p><b>MANDEVILLE</b></p> <p>Shop 3, Manchester Shopping Centre Mandeville Telephone: (876)- 962-7215</p>
<p><b>PORTMORE</b></p> <p>Lot 1 Seagrape Close Portmore, Saint Catherine Telephone: (876)- 988-8603</p>	<p><b>MONTEGO BAY</b></p> <p>Unit 8, Summit Business Centre, Lot 3, Straddle Drive Bogue Estates, Montego Bay, Saint James Telephone: (876)- 684-9806</p>

**Additional locations are set out at Appendix 2.**

- (2) All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out in this Section 6 and the Application in the Appendix 2.
- (3) Each Applicant acknowledges and agrees that:
- (a) he/she has been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in this Section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
  - (b) he/she has not relied on any person other than the Company and the Directors, each of whom have individual and collective responsibility for the contents of this Prospectus, in connection with his/her investigation of the accuracy of such information or his/her investment decision;

- (c) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and
  - (d) he/she has made his/her own assessment of the Company, and the merits and risks of subscribing for Ordinary Shares, inclusive of taking advice (or waiving the need for such advice) in relation on the financial and legal implications of subscribing for Shares and the tax implications thereof.
- (4) Applications from the general public must request a minimum of 500 Ordinary Shares and further amounts in multiples of 100. Applications in other denominations will not be processed or accepted.
- (5) Please note a processing fee of J\$134 per Application payable to the Registrar applies and is also payable by each Applicant. All Applicants should remember to include the processing fee in their calculations of amounts payable.
- (6) The Company may: (i) accept or reject any Application in whole or part without giving reasons, and neither the Company nor its Directors or agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so; (ii) allot Ordinary Shares to Applicants on a basis to be determined by it in its sole discretion including on a pro rata basis in the event the Invitation is oversubscribed (iii) treat, in its sole discretion, multiple applications by any person (whether in individual or joint names) as a single Application.
- (7) In the event that the Shares are admitted to listing the allotment of Shares for subscription in the Invitation will take place on the morning that the Shares are admitted to listing on the Main Market. Applicants may refer to the notice that will be posted on the website of the JSE ([www.jamstockex.com](http://www.jamstockex.com)) after the Closing Date. Applicants who wish to receive share certificates must make a specific request to the Registrar through their usual broker.
- (8) Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Ordinary Shares by the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be

deemed to have agreed to subscribe for the number of allotted Ordinary Shares, subject to the Articles of the Company and the terms and conditions set out in this Prospectus.

- (9) If the Ordinary Shares are admitted to trade on the Main Market of the JSE, Applicants will be allotted Ordinary Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications.
- (10) The Company will endeavour to return cheques or make refunds to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, to Victoria Mutual Wealth Management Limited within 10 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Each Applicant's returned cheque or refund cheque will be available at Victoria Mutual Wealth Management Limited for collection by the Applicant (or the first-named joint Applicant) stated in the Application. Any other persons purporting to collect a cheque on behalf of an Applicant must be authorised in writing to do so.
- (11) Applicants must be at least 18 years old.

## **SECTION 7:**

# **INFORMATION ABOUT THE COMPANY**

### **7.1 The Company**

PJX is an international business company incorporated under the laws of St Lucia and does not have an established place of business in Jamaica. The primary business of the Company is that of a limited partner in PCF II. The Company may also co-invest alongside PCF II or make direct investments outside of PCF II. Portland Fund II GP, Inc., the ultimate general partner of PCF II, holds one (1) preference share in the Company. The preference share gives Portland Fund II GP, Inc., the right to receive notice of, attend, vote at and demand a poll at general meetings of any class of shareholders of the Company. On all decisions in general meetings and on all resolutions Portland Fund II GP, Inc. will be entitled to 51% of the votes of all the shareholders. The preference share gives no right to dividends or distribution of assets in the event of a wind-up of the Company. The Company expects its revenues to be generated from income and capital gains on its direct and indirect investments.

### **7.2 Permits, Licences and Certificates**

The Company was incorporated on September 15, 2015 as an International Business Company under the International Business Companies Act, Cap 12:14: Section 6 of St Lucia and has been operating since its incorporation and is governed by its Articles of Association and Memorandum of Association (copies of which are available for inspection as provided for in Section 16). A Certificate of Good Standing dated May 12, 2016 issued by the Registrar of International Business Companies in St Lucia is available for inspection as provided for in Section 16.

### 7.3 Details of the Authorised and Issued Share Capital and the Shares in the Invitation

#### Capital Structure of the Company

As at of the date of this Prospectus, the authorised and issued share capital of the Company was as follows:

- Authorised:**
- Unspecified number of Ordinary Shares
  - Unspecified number of Non-Redeemable Preference Shares
- Issued:**
- 170,926,161 Ordinary Shares *(The ordinary shares will rank equally as a class and the holders of these shares shall be equally entitled to receive such dividends or other distributions of the Company as may be declared by the Board of Directors. Each holder of ordinary shares shall be entitled to receive notice of and to attend all shareholders' meetings of any class and at all such meetings shall be entitled to one vote in respect of each ordinary share held).*
  - 1 Non- Redeemable Preference Share *(held by Portland Fund II GP, Inc., the ultimate general partner of PCF II. The preference share gives Portland Fund II GP, Inc., the right to receive notice of, attend, vote at and demand a poll at general meetings of any class of shareholders of the Company. On all decisions in general meetings and on all resolutions Portland Fund II GP, Inc. will be entitled to 51% of the votes of all the shareholders. The preference share gives no right to dividends or distribution of assets in the event of a wind-up of the Company).*

**The Shares in the Invitation will be newly issued shares of the Company.**



## 7.4 Shareholdings in the Company Before and After the Invitation

As at the date of this Prospectus, the holdings of Shares in the capital of the Company (including legal and, where known to the Company, beneficial holdings) were as follows:

Name of Shareholder	Number of Ordinary Shares after Opening Date of Invitation	% of Issued Shares before Opening Date of Invitation
Proven Pension Plan	300,000	0.18%
Chevron Caribbean SRL - Jamaica Employees Benefits Fund – SIJL A/C 6555	345,700	0.20%
JMMB RS Aggressive	390,000	0.23%
Jamaica Stock Exchange Pension Plan	480,886	0.28%
Scotia Investments Jamaica Pension Fund	500,000	0.29%
PAM - University Hospital of the West Indies	514,110	0.30%
Jamaica Investment (Income & Growth) Fund	750,000	0.44%
Desnoes & Geddes Pension Fund - SIJL A/C 1585	789,300	0.46%
The Staff Pension Fund of Radio Jamaica Limited	1,000,000	0.59%
GraceKennedy (2009) Limited Pension Plan	1,300,000	0.76%
Petrojam Limited Pension Plan – SIJL A/C 2884	2,000,000	1.17%
Scotia Premium Growth Fund - JCSD Trustee Services A/C 76570-02	2,000,000	1.17%
PAM - JPS Employees Superannuation Fund	2,327,810	1.36%
Pension Plan - Citibank, N.A. Jamaica Branch – SIJL A/C 442	2,600,000	1.52%
Development Bank of Jamaica	2,965,000	1.73%
JMMB RS Moderate	3,220,000	1.88%
Cable & Wireless Ja Pension Plan	3,334,455	1.95%
JMMB Pension Fund	4,100,000	2.40%
PAM - Pooled Equity	5,000,000	2.93%
Nestle Jamaica Limited Pension Trust - SIJL A/C 831	5,181,900	3.03%
JNBS Pension Trustees Nominee Limited	7,000,000	4.10%
ScotiaBRIDGE Approved Retirement Scheme	7,500,000	4.39%
PAM - Trustees Contributory Pension Plan	10,000,000	5.85%
Scojampen Limited (SIJL A/C 3119)	20,000,000	11.70%
The ATL Group Pension Fund Trustees Nominee Limited	23,600,000	13.81%
Peter 2 Company Limited Pension Plan	23,727,000	13.88%
GraceKennedy Limited Pension Plan	40,000,000	23.40%
<b>Total Issued Share Capital Before Invitation</b>	<b>170,926,161</b>	<b>100%</b>

After the invitations for the Invitation are closed, and assuming that the Invitation is fully subscribed by the public the percentage shareholdings in the Company will be as follows:

Name of Shareholder	Number of Ordinary Shares after Closing Date of Invitation	% of Issued Shares after Closing Date of Invitation
Proven Pension Plan	300,000	0.11%
Chevron Caribbean SRL - Jamaica Employees Benefits Fund – SIJL A/C 6555	345,700	0.12%
JMMB RS Aggressive	390,000	0.14%
Jamaica Stock Exchange Pension Plan	480,886	0.17%
Scotia Investments Jamaica Pension Fund	500,000	0.18%
PAM - University Hospital of the West Indies	514,110	0.18%
Jamaica Investment (Income & Growth) Fund	750,000	0.27%
Desnoes & Geddes Pension Fund - SIJL A/C 1585	789,300	0.28%
The Staff Pension Fund of Radio Jamaica Limited	1,000,000	0.35%
GraceKennedy (2009) Limited Pension Plan	1,300,000	0.46%
Petrojam Limited Pension Plan – SIJL A/C 2884	2,000,000	0.71%
Scotia Premium Growth Fund - JCSD Trustee Services A/C 76570-02	2,000,000	0.71%
PAM - JPS Employees Superannuation Fund	2,327,810	0.82%
Pension Plan - Citibank, N.A. Jamaica Branch – SIJL A/C 442	2,600,000	0.92%
Development Bank of Jamaica	2,965,000	1.05%
JMMB RS Moderate	3,220,000	1.14%
Cable & Wireless Ja Pension Plan	3,334,455	1.18%
JMMB Pension Fund	4,100,000	1.45%
PAM - Pooled Equity	5,000,000	1.77%
Nestle Jamaica Limited Pension Trust - SIJL A/C 831	5,181,900	1.83%
JNBS Pension Trustees Nominee Limited	7,000,000	2.48%
ScotiaBRIDGE Approved Retirement Scheme	7,500,000	2.65%
PAM - Trustees Contributory Pension Plan	10,000,000	3.54%
Scojampen Limited (SIJL A/C 3119)	20,000,000	7.07%
The ATL Group Pension Fund Trustees Nominee Limited	23,600,000	8.35%
Peter 2 Company Limited Pension Plan	23,727,000	8.39%
GraceKennedy Limited Pension Plan	40,000,000	14.15%
Public	111,818,182	39.55%
<b>Total Issued Shares Capital After Invitation</b>	<b>282,744,343</b>	<b>100%</b>

## 7.5 Material Contracts

The Company has not entered into any material contracts (contracts that are not in the ordinary course of business) in the 2 years preceding the date of this Prospectus other than (i) the Agreement of Exempted Limited Partnership, dated July 15, 2014, between Portland Caribbean Fund II, L.P. and the limited partners of Portland Caribbean Fund II, L.P.; and (ii) the Management Agreement dated October 22, 2015 between PJX & Portland Private Equity II, Ltd.

## 7.6 Litigation

As at the date of this Prospectus, there were no litigation, arbitration, or similar proceedings pending or threatened against the Company as defendant, nor do the Directors believe that there are circumstances that may give rise to such proceedings.

## 7.7 Dividend Policy

Shares in PJX will entitle the shareholders to receive all ordinary dividends and capital distributions declared and paid by the Company after the close of the Offer. The amount of dividends paid is expected to be one hundred percent (100%) of distributable net profits. The dividend policy will be subject to review from time to time by the Directors. The Company may pay dividends in either Jamaican Dollars or United States Dollars, at the election of each shareholder.

## 7.8 Charges Registered Against the Company

As at the date of this Prospectus there were no charges registered against the Company.

## 7.9 Taxation

PJX is incorporated in St Lucia as an IBC, and it has elected to be subject to corporate income tax at the rate of 1.0% in that country. By virtue of the Caricom Double Taxation Treaty, based on that election, dividends paid by the Company are not taxable in other Caricom states that are parties to the treaty (including Jamaica). Furthermore, St. Lucia does not tax distributions by St. Lucia IBCs to non-residents of St. Lucia.

While the above statements represent the Directors' understanding of the relevant taxation issues as at the date of this Offering Memorandum, persons intending to purchase the Shares are encouraged to seek independent tax advice regarding their potential investment in the Company.

## SECTION 8:

# DIRECTORS AND MANAGEMENT

### 8.1 Biographical details of the Board of Directors

Brief biographical details of the Directors appear below. The Directors' addresses are set out in Section 15.



**DOUGLAS HEWSON**  
Non Executive Director &  
Chairman

Douglas has over fourteen years of private equity and venture capital experience. He is a Managing Partner at Portland and has primary responsibility for investor relations, is a board member of InterEnergy Holdings and IEH Penonome Holdings, is a member of the Investment Committees of both Fund I and Fund II, and involved in all aspects of each fund's management. Prior to joining Portland Private Equity he was responsible for co-founding and leading two successful investment management firms.



**TREVOR COZIER**  
Non Executive Director

Trevor is a senior partner in the law firm of McNamara & Co having joined the firm at its inception in 1975. He was called to the Bar at Lincoln's Inn in 1974 and then in St Lucia later that same year. He primarily practices Civil Law with a special emphasis on Company Law and Commercial Law. His expertise includes Joint Venture Agreements, Bank Security, Shareholder, Lease and Conveyance Agreements. Trevor is former Chairman of the Development Control Authority and continues to serve on several local and international boards.

## THE FOLLOWING PERSONS WILL BE APPOINTED AS DIRECTORS AFTER LISTING OF THE SHARES:



**PATRICK MCDONALD\***

N. Patrick McDonald is a commercial attorney and a Partner at Hart Muirhead Fatta. Admitted to practice in Jamaica in 1993, he was educated at the University of the West Indies and the Norman Manley Law School. He is currently a director of Independent Radio Company Limited and has served as a director of several companies in the local financial sector and of state agencies and companies. He is a member of the Commercial Law Committee of the Jamaican Bar Association and the General Legal Council. He also serves as a member of the Office of Utilities Regulation, and is an Associate Tutor at the Norman Manley Law School. Patrick serves on the Corporate Governance Committee of the Private Sector Organization of Jamaica and the Best Practices Awards Committee of the Jamaica Stock Exchange.



**PATRICIA FRANCIS\***

Patricia R. Francis, CD, BSc, a global leader in trade and development, currently serves on the advisory boards of the IESE Graduate Business School, SciencePo Masters in Public Administration, Jamaica Producers Group and B & D Trawling Limited and is a member of the Eminent Persons Group reviewing the African Caribbean & Pacific (“ACP”) future relationships with the European Union. She recently completed the task of establishing the UN Secretary-Generals High Level Panel on Women’s Economic Empowerment, launched in Davos in January 2016. Mrs. Francis is the former Chairman of Jamaica’s Public Sector Transformation and Modernisation Committee 2014-2016 and the former Executive Director of the International Trade Centre (“ITC”) 2006-20013, a joint agency of the World Trade Organisation and the United Nations. Prior to

joining the ITC, Mrs. Francis served as the President of JAMPRO (Jamaica Trade and Invest) 1995-2006. She also served twice as the President of the World Association of Investment Promotion Agencies, the China-Caribbean Business Council and the Commonwealth’s Eminent Persons Group. In 2006 she was conferred with the Commander of the Order of Civil Merit by the Government of Spain, and in 2015 was conferred with the Order of Distinction in the Class of Commander by the Government of Jamaica.



**JONATHON MURPHY\***

Jonathan Murphy is the Managing Director of GKM, a Cayman Islands based multi-family office. He is focused on facilitating private investment, in both direct and indirect opportunities, to maximise value for clients. He acts as trustee and director for a small number of families, assisting in the structuring, analysis and management of the underlying assets. He was formerly a manager at Krys Global, a leading regional insolvency practice. He gained his ACA qualification whilst working at Deloitte UK.

*\*The appointments of Patrick McDonald, Patricia Francis and Jonathan Murphy (all as non-executive directors) will take place after the listing of the Shares on the JSE.*

## 8.2 Corporate Governance and Accountability

The Board has established an Audit Committee and a Compensation Committee. The members of each Committee will include at least 2 independent non-executive Directors, and will be comprised as follows:

Audit Committee	Terms of Reference
<ul style="list-style-type: none"> <li>• Jonathon Murphy</li> <li>• Trevor Cozier</li> <li>• Patricia Francis</li> </ul>	<p>Oversight of good fiscal discipline, financial reporting, timely disclosure, and listing compliance.</p>

Compensation Committee	Terms of Reference
<ul style="list-style-type: none"> <li>• Jonathon Murphy</li> <li>• Patrick McDonald</li> <li>• Patricia Francis</li> </ul>	<p>Oversight of the remuneration of directors, officers and employees of the Company.</p>

Each Director shall receive fees in the amount that is to be approved by the Compensation Committee referred to above inclusive of reimbursement of reasonable fees and expenses, for attendance at each meeting of the Board of the Company, or any Committee thereof.

### Management of the Company

Portland Private Equity II, Ltd., (the “Manager”) manages the Company pursuant to a Management Agreement dated October 22, 2015. The Manager is incorporated in Barbados as a Regular Business Company and provides management services to the general partners of private equity funds, including Portland Fund II GP, L.P., the general partner of PCF II. As a limited partner in PCF II, the Company does not control or manage PCF II.

### Shareholder Advisory Committee

The Company has a collective advisory committee, called the Shareholder Advisory Committee (“SAC”) comprising of no fewer than three (3) and no more than ten (10) members. The SAC has the right to nominate a representative to the Joint Advisory Committee, which serves as an oversight body of PCF II. In addition to such authority and responsibilities as the Board may deem necessary or advisable, the SAC shall have the authority to give its ‘no objection’ in respect of certain decisions of the Board including matters such as borrowing, co-investing, treasury management, valuation of assets and advisability of investments. The SAC will not have the power to bind or act for or on behalf of the Company in any manner. Matters related to the administration, operation and governance of the SAC are set out in the Articles of Incorporation of the Company and will be further set by policy approved by the Board as required from time to time.



## SECTION 9: PORTLAND CARIBBEAN FUND II

### Summary

<b>Target Size:</b>	Up to US\$250 million
<b>First Close:</b>	US\$100 million in July 2014; strong core of Development Financial Institutions syndicate.
<b>General Partner (GP) Commitment:</b>	US\$17 million
<b>Investment Strategy:</b>	<ul style="list-style-type: none"> <li>• Invest in scalable companies in defensive industries.</li> <li>• Exploit private capital gap in overlooked and underserved parts of LAC region.</li> </ul>
<b>Target Internal Rate of Return (IRR) / Multiple on Invested Capital (MOIC):</b>	Target IRR > net 20% / target MOIC 2.5-3x depending on sector
<b>Target Portfolio:</b>	<ul style="list-style-type: none"> <li>• Total 6-9 companies</li> <li>• 4-6 high quality businesses across various stages presented with a transformative growth opportunity</li> <li>• 2-3 infrastructure / essential asset opportunities</li> </ul>

<b>Target Investment Size:</b>	US\$15 million to US\$40 million depending on sector
<b>ESG:</b>	International Finance Corporation Performance Standards / integrated procedures
<b>Diversification:</b>	Concentration limits by committed capital; sector; company; country
<b>Fee / Carry / Hurdle:</b>	2% with step-down / 20% subject to European waterfall / 8%

## CURRENT PORTFOLIO COMPANIES

### IEH Penonome Holdings (Panama Wind)



**Date of Investment: January 2015**

Panama Wind is a 215 MW, USD427 million wind energy project in Panama. The Portland Team negotiated a minority equity position in the project financing with InterEnergy Holdings, a Fund I portfolio company. At the time of entry, many of the risks associated with a wind farm project had been significantly reduced. It was producing power to the grid and had secured all permits, concessions, approvals and power purchase agreements. On a risk adjusted basis, Portland finds the investment compelling as the base return is provided by long-term, inflation adjusted, USD denominated contracts with high quality off-takers. Additional return is anticipated through sales into the domestic spot market which is typically well priced during the windy/dry season given the Panamanian grid's reliance on hydro generation. The wind farm project is now in an advanced stage of implementation. When finished, Panama Wind will have 86 wind turbines and generate 448 gigawatt hours of electricity per year, or about 5 percent of Panama's total annual power demand. It is estimated that the project will cut carbon dioxide emissions by 400,000 tonnes annually. At December 31, 2015, 83 of the 86 wind turbines were installed, commissioned and generating electricity.

#### **The Portland Private Equity Difference:**

- ✓ Leveraged existing relationship to secure an investment opportunity that was not available to most other investors
- ✓ Participate on board of IEH Penonome Holdings to ensure corporate governance and ESG matters are appropriately addressed
- ✓ Efficiently assess, diligence, and negotiate entry terms to keep pace with financing of the overall project
- ✓ Negotiated at entry a unique exit mechanism for the benefit of PCF II.

**CVBI****Date of Investment: January 2015**

CFFI Ventures (Barbados) Inc (“CVBI”), directly or indirectly, owned the controlling shareholding in Columbus International Inc. (“Columbus”). In early 2015, Cable & Wireless Communications PLC (“CWC”) and Columbus completed an agreement whereby CWC acquired 100% of Columbus. The resulting merged entity possesses one of the leading mobile networks, fibre networks and backhaul submarine networks across the Caribbean, enabling it to deliver best-in-class quad play offering (mobile, fixed line, TV and broadband internet) with leading content on multi-device platforms referenced as “anything on anything, anytime, anywhere”. PCF II made a USD15 million indirect loan to Clearwater Holdings (Barbados) Limited (“CHBL”), a wholly owned subsidiary of CVBI. CHBL owns CWC shares which are party to the lock-up and put option agreements (“Put Deed”). Subject to shareholder and regulatory approvals, Liberty Global is expected to acquire CWC in a transaction expected to close on or around May 16, 2016. As a result of this transaction, CHBL will receive cash and shares of Liberty Global and Liberty Latin America in exchange for its shares of CWC. Liberty Global is one of the largest media companies in the world. Liberty Latin America is expected to continue the Latin America and Caribbean growth strategy that was previously being executed by Columbus.

**The Portland Private Equity Difference:**

- ✓ Leveraged existing relationship to secure an investment opportunity that was not available to most other investors
- ✓ Participate on board of CHBL to ensure corporate governance and ESG matters are appropriately addressed
- ✓ Efficiently assess and diligence the opportunity and negotiate terms and a structure that met requirements of all stakeholders.

## Clarien Group Limited



**Date of Investment: March 2016**

Clarien Group Limited (“CGL”) is the parent company of Clarien Bank Limited (“CBL”). While CBL is a leading bank in Bermuda with approximately USD 1 billion of assets, changes in the industry are creating the need and the opportunity for growth and regional consolidation.

### **The Portland Private Equity Difference:**

- ✓ Used sector and geographic experience and capital availability to move quicker than other interested parties and secure an investment on attractive terms.
- ✓ Participate on boards to ensure corporate governance and ESG matters are appropriately addressed
- ✓ Use sector operating experience, regional relationships and brand reputation to add value to the business.

### **Management of PCF II**

Portland Private Equity II, Ltd has been retained pursuant to an Investment and Advisory Agreement dated July 15, 2014 to manage PCF II. Portland Private Equity II, Ltd will receive a fee, from PCF II, for providing portfolio advisory services and for management of the day-to-day business and operations of PCF II. The advisory services include: monitoring investments in PCF II and other private equity funds; research, selection and on-going monitoring of co-investment opportunities; research, selection and monitoring investments for uncommitted assets; and on-going research for other investment opportunities. See Expenses of PCF II section below for more details. The activities of PCF II are guided by the same Investment Team responsible for Fund I and the initial build out of Fund II. For more information please see the Investment Team section below.

## Investment Strategies

PJX is a limited partner in PCF II. The Company has made, and intends to make additional capital commitments to PCF II which will obligate the Company to remit funds, cumulatively not to exceed the amount of the cumulative capital commitment, to PCF II upon receipt of capital call notices.

The Company may co-invest with PCF II in equity or debt securities of private companies located in the Caribbean and Latin America. The Company is expected to cumulatively commit in excess of USD 20 million to PCF II and, accordingly, will be 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.

Pending the receipt of capital call notices in respect of the Company's commitment to PCF II, which may occur over the period of several months or years, and at any time deemed appropriate by the Manager, the Company may invest in short-term instruments, money market funds, or similar temporary instruments.

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 purposes and act as buffer to cover cash flow timing differences.

## Investment Highlights of PCF II

PCF II will follow a similar strategy established by Portland Holdings for its own proprietary portfolio investments in the Caribbean region which was successfully adopted by the AIC Caribbean Fund, PCF II's predecessor private equity fund, to make private equity investments in the Caribbean and Latin American region ("LAC"). For the purposes of this Prospectus, LAC includes Caricom member states and associate member states, Dominican Republic; Colombia; and Central America including Panama and Costa Rica. It does not include Mexico, Cuba or Venezuela. The key members of the Fund I investment advisory team will also serve in a similar capacity for PCF II.

PCF II completed a first closing of USD100 million of capital commitments in July of 2014 and has a target fund size of USD 250 million. As of April 30, 2016, PCF II has completed three investments totaling US\$40 million and a total value to paid in capital multiple of approximately 1.01x. PCF II has an upfront five-year commitment period to make investments within a term of 10 years with the possibility of two additional consecutive one-year terms. At the end of the life of PCF II, once all proceeds are distributed to limited partners and final distributions made by PJX to its shareholders, the Company will be dissolved.

## Distribution Policy

PCF II will distribute net proceeds attributable to the disposition of an investment, together with any dividends and interest generated from an investment, to the limited partners in the following amounts and order of priority, in proportion to their capital contributions:

- (i) first, 100% to such limited partner, until such limited partner has received under this clause (i) total distributions equal to such limited partner's total capital contributions to PCF II;
- (ii) second, 100% to such limited partner until such limited partner has received total cumulative distributions under this clause (ii) equal to an 8% per annum return on the cumulative amount of distributions made to such limited partner pursuant to clause (i) above, compounded annually on the amount of such distributions not previously made to such limited partner;
- (iii) third, 100% to Portland Fund II GP, L.P. (the "General Partner") until cumulative distributions to the General Partner pursuant to this clause (iii) equal 20% of the total cumulative distributions pursuant to clause (ii) above and this clause (iii); and
- (iv) thereafter, 20% to the General Partner, and 80% to such limited partner.

## Expenses of PCF II

PCF II will be charged a management fee by the investment advisors of PCF II (which includes the Manager), payable quarterly in advance, at the rate of 2% of the total commitments up until the Commitment Termination Date which is no later than July 15, 2019 (the "Commitment Period"). Following the Commitment Period, the management fee will be reduced to 1.75% multiplied by: (i) the aggregate amount of subscribed capital of PCF II that has been contributed to PCF II as of the first day of such period in respect of investments, minus (ii) the sum of: the aggregate amount of returned capital from proceeds received from the sale, exchange or repayment of all or any portion of an investment; plus unreturned capital invested in investments that have been written off; plus unreturned capital invested in investments that have been written down from their original cost basis to PCF II by more than 50%. The management fee of PCF II is payable to a related party.

A portion of cash available for distributions to limited partners of PCF II, including the Company, will be paid to the General Partner of PCF II in accordance with the distribution formula as outlined in the Distribution Policy, above. Such payment will reduce the amount available for distribution to the limited partners of PCF II.

## Current Limited Partners in PCF II

The current Limited Partners of PCF II other than PJX include:

- International Finance Corporation (IFC)
- European Investment Bank
- German Development Bank
- Export Development Canada
- Caribbean Development Bank
- Inter-American Investment Corporation
- Portland Fund II, GP, L.P.

## AIC CARIBBEAN FUND

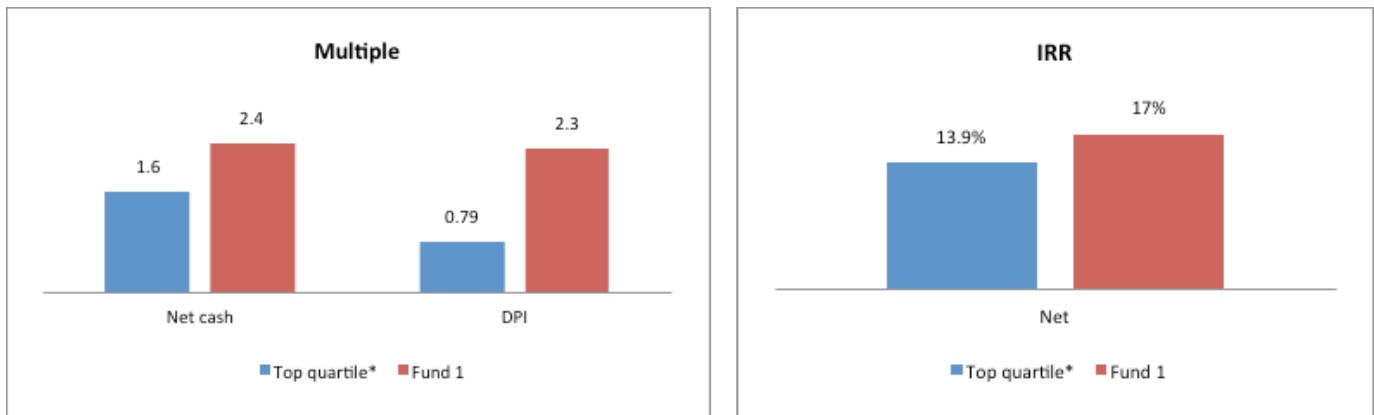
### Performance Overview

AIC Caribbean Fund was launched in 2007 and was a USD225 million institutionally supported investment vehicle focused on compelling business opportunities across sectors in the Caribbean. The investment cycle of Fund I is complete and Portland is focused on increasing the value of the remaining portfolio companies and providing liquidity to the fund's investors. The fund has helped establish marquis companies in the Caribbean region in areas such as telecommunications, energy, renewable energy, and financial services. Its performance has been excellent and it has consistently met its target metrics with respect to distributions and total value.

As shown below, Fund I has generated top quartile performance versus its global peers on a net cash multiple and distributions paid on invested capital (DPI) multiple basis, as defined by private equity research firm, Preqin. Fund I is compared to other private equity funds globally started in 2007.









**AIC Caribbean Fund (2007) Performance as of December 31, 2014**



- AIC Caribbean Fund’s Gross IRR of 24.2% and Net IRR of 17.2% as of December 31, 2014 are exceptional on an absolute and relative basis compared to nearly all private equity funds raised in 2007.
- Portland anticipates that AIC Caribbean Fund will ultimately generate proceeds approaching 3.0x invested capital.
- At December 31, 2015, AIC Caribbean Fund’s Gross and Net IRR were 23.9% and 16.5% respectively.

**AIC CARIBBEAN FUND DETAILED PERFORMANCE (USD)**

Company	Sector	Date of Initial Investment	Total Multiple	Gross IRR
 <b>columbus NETWORKS</b>	Communications	3/2/2007	5.2x	29.9%
 <b>Advantage General</b> INSURANCE COMPANY LIMITED	Financial Services	10/1/2008	2.3x	18.3%
 <b>MOYA</b> SUPERVISIONES Y CONSTRUCCIONES, S.A.	Construction	10/23/2008	1.4x	20.5%
 <b>LAWOLA</b> BY METRO COUNTRY CLUB	Development	11/9/2009	0.7x	-8.3%
 <b>INTERENERGY</b> HOLDINGS	Power	7/27/2011	2.1x	18.6%
	Agribusiness	11/28/2012	1.3x	18.6%
<b>Total</b>			<b>2.9x</b>	<b>24%</b>

\* Data as at December 31, 2015

## AIC CARIBBEAN FUND PORTFOLIO OVERVIEW

### Columbus International



Date of Investment: March 2007

Status: Realized

Website: [www.columbuscommunications.com](http://www.columbuscommunications.com)

Members of Portland Private Equity invested in Columbus in 2005 through an earlier investment vehicle. At that time, they secured an allocation from the company for the Fund I which had just begun fundraising. In 2005, Columbus' business was relatively simple as it was limited to providing cable services to the Bahamas. By the time of Fund I's investment in early 2007, the company was starting to expand through executing a strategy that involved rolling-up acquired key "wholesale and retail" broadband assets throughout the region. Today, it serves 21 countries in the Caribbean and the Americas and is the premier provider of broadband and IP services in those markets. The company was sold in 2014 to Cable & Wireless Communications PLC at a gross IRR of 30.7%.

#### **The Portland Private Equity Difference:**

- ✓ secured key operating licenses and landing concessions in various jurisdictions.
- ✓ identified, negotiate, and close numerous acquisitions.
- ✓ ensured that the Company's capital intensive strategy was adequately and appropriately financed.
- ✓ completed the divestiture of certain mature assets.

## Advantage General Insurance Company Limited



Date of Investment: January 2008

Status: Realized

Website: [www.advantagegeneral.com](http://www.advantagegeneral.com)

In early 2006, Advantage General (formerly United General Insurance Company Limited) was a struggling Jamaican insurance company that was poorly managed but had a strong market share. Recognizing an opportunity predicated on a turnaround strategy, several of the Portland Private Equity team were responsible for leading an anchor investment through an earlier investment vehicle. Fund I made a toe hold investment in early 2008 which secured the fund's ability to participate in the Company's anticipated pan-regional roll-out. The roll-out proved challenging and the strategy was revised to listing on the Jamaica Stock Exchange as a means of exit. However, prior to execution the fund was approached by National Commercial Bank Jamaica Limited which purchased the company resulting in the fund earning a gross IRR of over 16%.

### **The Portland Private Equity Difference:**

- ✓ recruited new upper level management.
- ✓ identified skill gaps and reconstituting the board.
- ✓ led the re-engineering of the operational processes of the business.
- ✓ re-branded the Company to take advantage of its association with AIC.
- ✓ provided strategic advice and support in all facets of the business.

## Moya Supervisiones y Construcciones, S.A.



Date of Investment: December 2007

Status: Realized

Website: [www.grupomoya.com.do/supervisiones.html](http://www.grupomoya.com.do/supervisiones.html)

Moya Supervisiones is a pre-eminent construction company in the Dominican Republic which joint ventured with Odebrecht, the largest infrastructure contractor in Latin America. The JV was awarded a contract in late 2008 from the government of the Dominican Republic to build a \$360 million toll road. Moya was seeking a financial partner to support its business and Portland Private Equity negotiated a transaction involving a secured debenture combined with profit participation success tied to the construction of the toll road. The Fund exited at a 20.5% IRR.

### **The Portland Private Equity Difference:**

- ✓ provided a stable capital source and financial partner to a long-term project.
- ✓ worked with management to upgrade financial reporting and related processes.
- ✓ introduced its network of infrastructure investors to the larger toll road financing opportunity.
- ✓ increased Moya's opportunities to build its business through involving Moya in additional Dominican Republic-based activities of Portland Private Equity.

## Las Olas



Date of Investment: December 2008

Status: Partially realized

Website: [www.metrocountry.com](http://www.metrocountry.com)

Las Olas is an affordable luxury beachfront condominium development project in the Dominican Republic. It is one of several projects of Group Metro, a premier real estate developer in the country. As part of Group Metro's multi-phased approach to development, Fund I was presented with the opportunity to provide capital to assist in the completion of Las Olas. Portland Private Equity negotiated a transaction which combines a secured debenture component with elements of profit sharing as well as options on subsequent developments. Despite headwinds faced by the project as the second home market for the diaspora evaporated and prices fell, the building was completed and units continue to be delivered weekly.

### **The Portland Private Equity Difference:**

- ✓ worked with management to upgrade reporting and related processes as well as corporate governance.
- ✓ provided a stable capital source and financial partner to a long-term project.
- ✓ raised the profile of the project through its involvement.

## InterEnergy Holdings



Date of Investment: January 2011

Status: Partially realized

Website: [www.interenergy.com](http://www.interenergy.com)

In August 2011, the CEO of InterEnergy Holdings (“IEH”) completed a buyout of his shareholder partner with the assistance of an investment by Portland Private Equity. The CEO had built the business into one of the largest owner/operators in the power sector in the Dominican Republic. IEH’s underlying operating companies represent over 1000 MW of combined installed capacity. The Portland Private Equity team viewed the investment as an opportunity to participate with a first class entrepreneur and operator in the building of a pan-regional power company. Post transaction, IEH has consolidated its position in the Dominican Republic power sector, invested in technologies and alternative energy to deliver new services to its client base, expanded its operations significantly in Panama and Chile, and continues to bid on a number of attractive projects in the region.

### **The Portland Private Equity Difference:**

- ✓ met the diligence/negotiation/financing pace of a transaction that was driven by a motivated seller.
- ✓ participated in creating a flexible financing structure from a minority shareholder position.
- ✓ introduced new technologies and companies to management as part of IEH’s expansion of services.

## World Food



Date of Investment: November 2012

Status: Fully realized

Website: <http://www.worldfoodprocessing.com>

In November 2012, the Fund I invested in the one of the largest non-GMO soybean processing and genetics companies in the USA, World Foods Processing (“WFP”), to support their growth plans to expand into the Caribbean via: (i) a growing program to foster protein independence in these markets and; (ii) sale of non-GMO ingredients to food companies. The Portland Team viewed this investment as an opportunity to support a market leader with a robust multi-decade track record. WFP has performed well in its core soybean processing business. The fund exited this investment at a gross IRR of 18.6%.

### **The Portland Private Equity Difference:**

- ✓ introduced the company to key private sector and public sector officials in the Caribbean.
- ✓ provided advice on how to get the growing programs started in several markets.
- ✓ improved the governance and reporting of this family-run business.

## THE INVESTMENT TEAM

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### **MICHAEL LEE-CHIN**

Michael Lee-Chin is Chairman of Portland Private Equity and sponsor of AIC Caribbean Fund; founder and Chairman of the Portland Holdings group, a privately held investment company which owns a collection of diversified operating companies; and Chairman of the National Commercial Bank Jamaica Limited.

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### **ROBERT ALMEIDA**

Rob helped launch AIC Caribbean Fund and is a Managing Partner of Portland Private Equity. He is an accomplished business person with a strong background in corporate strategy and operations. He was formerly an executive at Loblaw Companies, Canada's largest retailer, and led the creation of a direct bank at Canadian Imperial Bank of Commerce. He has served on the boards of Columbus International and Advantage General, and is currently on the board of the National Commercial Bank Jamaica Limited.

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### **JOE VESCIO**

Joe has over twenty years' experience in negotiating, structuring, and closing a wide variety of transaction types. He is a Managing Partner of Portland Private Equity, in addition to his investment origination and portfolio company responsibilities; he looks after the financial operations of AIC Caribbean Fund and PCF II. Joe founded a successful valuation practice earlier in his career and is a Chartered Accountant and Chartered Business Valuator by training.

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**DOUGLAS HEWSON**

Douglas has over fourteen years of private equity and venture capital experience. He is a Managing Partner of Portland Private Equity; prior to joining Fund I he was responsible for co-founding and leading two successful investment management firms. At Portland, he has primary responsibility for investor relations, is a board member of InterEnergy Holdings, is a member of the fund's Investment Committee, and involved in all aspects of AIC Caribbean Fund and PCF II's management.

**KIP THOMPSON**

Kip has over twenty years of global emerging market investing experience and is a founding Managing Partner of AIC Caribbean Fund. He worked with International Finance Corporation as an investment professional for 19 years before joining Portland Private Equity. Kip is a Managing Partner for AIC Caribbean Fund and Partner Emeritus for PCF II.

**INVESTMENT TEAM: EXPERIENCED, NETWORKED AND COMMITTED**

- ✓ Portland Private Equity has been intimately involved in building successful companies in the Caribbean since 2002 and is recognized as a pioneer in generating opportunities in the Fund II's target markets.
- ✓ Fund II will benefit from Portland Private Equity's reputation, strong deal flow and unique structuring capabilities.
- ✓ The Portland Team is comprised of a cohesive group of professionals, including five senior investment professionals that have worked together throughout Fund I.
- ✓ Over 100 years of aggregate sourcing, structuring and operating experience is augmented by investments alongside serial entrepreneurs and world class management teams.
- ✓ Alignment of interest – Portland's commitment to PCF II is USD17 million.
- ✓ Led by Caribbean-born Michael Lee-Chin, a visionary and entrepreneur.
- ✓ Unparalleled access and networks throughout the region.

**Nearly fully realized Fund I allows the team to be fully focused on Fund II**

## SECTION 10:

# MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis is provided as a supplement to, and should be read in conjunction with, the Financial Information.

**PLEASE NOTE: The business of the Company is to invest as a Limited Partner in Portland Caribbean Fund II which in turn invests in other businesses over a period of several years. The performance of the Company is highly dependent on the timing of these investments. The timing of these investments cannot be predicted with a sufficiently high degree of certainty so as to make a projection of the annual performance of the Company reliable. Accordingly, unaudited financial projections are not included in this Prospectus.**

### The Business

Portland JSX Limited ("PJX" or the "Company") is an international business company incorporated under the laws of St Lucia for the purpose of investing in businesses in Latin America and the Caribbean. The objective of the business is to generate above average US dollar indexed returns over the long term.

Investing in our backyard – The Caribbean Basin. Opportunities can be apparent but often only available to large financial institutions due to restrictions such as access, size and execution. PJX removes those restrictions by permitting most investors to participate in quality investments like Portland Caribbean Fund II ("PCF II").

PCF II is a private equity fund, which holds a portfolio of equity or debt securities of companies, located in the Caribbean and Latin America, the majority of which, over the life of PCF II, are expected to be private. PCF II's objective is to provide above average returns over the long term primarily by investing in undervalued companies with good potential for growth in their respective sectors.

### The Strategy

PJX is a limited partner in Portland Caribbean Fund II, L.P. ("PCF II"). The Company has made, and intends to make additional capital commitments to PCF II which will obligate the Company to

remit funds, cumulatively not to exceed the amount of the cumulative capital commitment, to PCF II upon receipt of capital call notices.

The strategy of the Company is essentially the same as the PCF II strategy – invest in high quality businesses, with competent management where growth or industry leadership can be attained.

The investment focus is driven by:

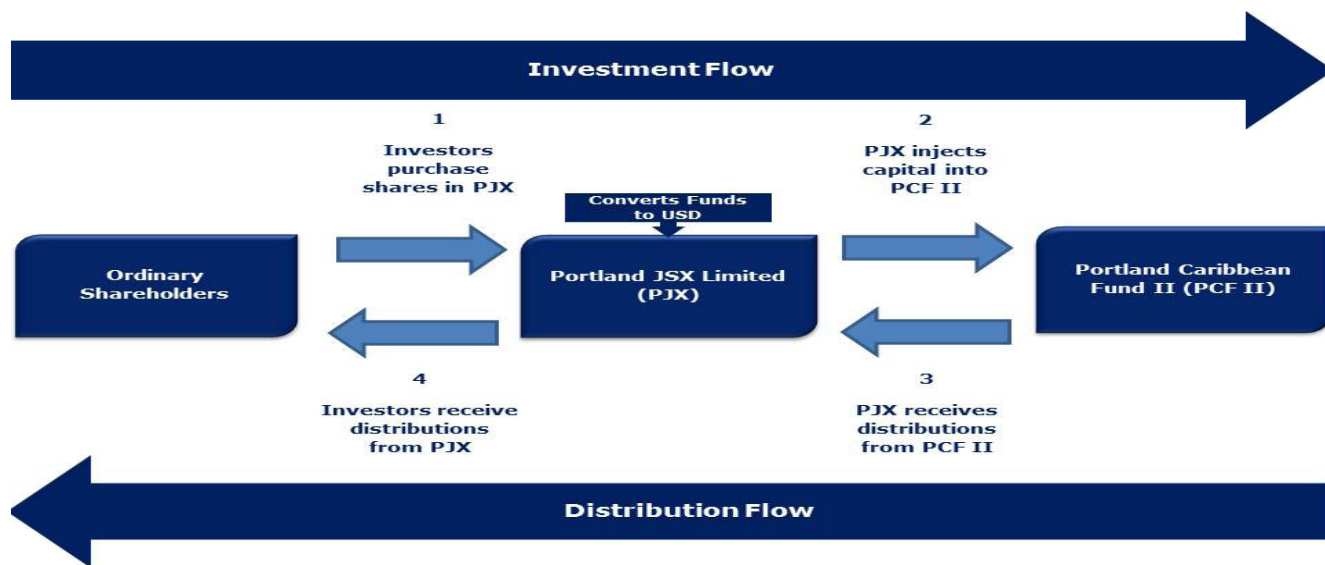
- (a) The existence of the following 3 pre-conditions:
  - a. A perception/reality gap;
  - b. Inefficiencies;
  - c. Scarcity of equity capital;
- (b) Geographies and sectors where the team enjoys a competitive advantage of knowledge, experience, access and presence.

Accordingly, the geography of focus is the Caribbean and Latin America and the sectors of focus are telecommunications, financial services and energy. The combination of scarcity of capital, extensive experience of Portland Private Equity (“PPE”), the investment advisory team behind PCF II and regional access to a robust pipeline of potential transactions has created a successful formula for investing, which was manifested in the first private equity fund managed by PPE. PPE delivered a 17% IRR as well as a multiple of 2.4 times capital invested. The Company may co-invest with PCF II in equity or debt securities of private companies located in the Caribbean and Latin America. The Company is expected to cumulatively commit in excess of USD 20 million to PCF II and, accordingly, will be 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.

Pending the receipt of capital call notices in respect of the Company’s commitment to PCF II, which may occur over the period of several months or years, and at any time deemed appropriate by the Manager, the Company may invest in short-term instruments, money market funds, or similar temporary instruments.

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 utilize leverage as a strategy, however, borrowing may be required to fund working capital purposes and act as buffer to cover cash flow timing differences.

Distributions are expected to flow from PCF II to the Company which in turn will make distributions to ordinary shareholders of PJX. At the end of the life of PCF II at which time all distributions would have been completed, it is the intention that PJX will be dissolved and all assets liquidated and paid to ordinary shareholders. The diagram below illustrates the flow of funds relating to this structure.



## The Team - Depth and Alignment

As a limited partner in PCF II, the Company gains access to the management capability of PPE. Portland Private Equity II, Ltd has been retained pursuant to an Investment and Advisory Agreement dated July 15, 2014 to manage PCF II. The advisory services include: monitoring investments in PCF II and other private equity funds; research, selection and on-going monitoring of co-investment opportunities; research, selection and monitoring investments for uncommitted assets; and on-going research for other investment opportunities. The activities of PCF II are guided by the same Investment Team responsible for AIC Caribbean Fund, the predecessor fund to PCF II and the initial build out of Fund II.

PPE is led by Michael Lee Chin, OJ, Chairman of the Investment Committee, which is comprised of Mr. Lee Chin and three Managing Partners. Collectively, these individuals have over 100 years of investing experience and on average have been together for over 10 years. Each of the executives also have an ownership stake in the management companies, as well as the portfolio businesses

of PCF II. Finding, nurturing and ultimately, exiting from successful industry leading business requires a strong alignment of company management, investors and investment managers. PPE has committed USD 17 million to the PCF II investing alongside its partners.

## The Investments – Thus Far

Through its investment in PCF II, the Company is invested in three assets, IEH Penonome Panama (“IPP”), CVBI Holdings (“CVBI”) and Clarien Bank Limited (“Clarien”).

- IPP is a 215 mw wind farm in Panama. At December 31, 2015, 83 of 86 turbines had been commissioned. The amount of wind and the efficiency of the turbines are largely in line, if not better, than expectations. While the majority of the power generated is contracted as part of long-term power purchase agreements, a portion of the power generated is sold into the merchant or spot market. Primarily as a result of lower than expected oil prices, merchant sale prices are lower than expected. On the whole the business performance is within the target range of expectations and the business is expected to commence dividend distributions later in 2016.
- CVBI is a holding company that has an ownership interest in Cable & Wireless Communications PLC (“CWC”). On November 16, 2015, the acquisition of CWC by the Liberty group was announced. The transaction will see the merger of Liberty Latin America and CWC with CWC shareholders receiving shares of Liberty Global, Liberty Latin America and some cash. While the transaction is subject to a number of approvals, it has the support of the Board of Directors and the majority of shareholders of CWC and we expect it will be completed prior to June 30, 2016. In our opinion, the completion of the transaction will strengthen the underlying businesses and increase the likelihood of PCF II realizing its target returns from this investment.
- Clarien is a Bermuda based full service bank. Recently, the Bank has experienced non-performing loans and increased capital requirements resulting from Basel 3. PCF II, in conjunction with the former majority shareholder provided the additional capital in a transaction which closed on April 15, 2016. PPE has significant experience in financial services, particularly banking and believe its advisory input, in addition to capital will permit the bank to achieve growth and improved operating earnings.

The remainder of the Company’s assets are primarily invested in term deposits.

## Performance to Date

For the period ended February 29, 2016, the company experienced a comprehensive loss of \$327,605.00. PCF II is still in its early stages of investing and accordingly, the PCF II experience is reflected in the balance sheet and operating statements of the company. As with most investment entities, start up or organizing costs and management fees paid to the investment manager will impact the operating results. Reversal of operating losses are not expected until growth in or distributions from the underlying portfolio companies is realized. Company operating expenses of \$657,588.00 exceeded the positive contributions from PCF II and investments in term deposits. These expenses were largely comprised of one-time expenses related to the formation of the Company. Contributing to the loss were one-time legal and professional fees of \$166,351.00 (incurred mainly to establish PCF II) and organization and interest expense of \$167,362.00 paid to co-investors of PCF II to compensate them for financing the initial acquisition of portfolio companies. The operating losses were offset, however, by a gain on Company's investment in PCF II of \$410,002.00.

Income from term deposit of \$79,918.00 was earned on funds invested in interest bearing securities/accounts. The funds were accumulated from investors subscribing to common shares of PJX. At February 29, 2016, approximately \$10,500,000.00 was held in financial instruments and bank accounts. This income is anticipated to increase in the coming year as the previous year results are for a five month period. Also, to the extent additional investors subscribe for shares in JSX, thus providing investable capital, this amount is expected to increase. The foregoing is dependent, however, on the pace of the PCF II investment program as meeting commitments of PCF II will reduce funds invested in interest bearing accounts or securities.

## Risks

A complete disclosure of risks faced by the Company is contained in the Section 13. The following outlines some of the key risks currently facing the Company indirectly through PCF II and how these risks are being managed.

- The general economic context in the region continues to be fragile. The Company seeks to mitigate this risk through a focus on investments in businesses that are closer to being essential services, are less cyclical and have demonstrated an ability to adapt to changing market conditions.

- Currency risk continues to present a substantial inherent risk in the region; however, the assets of the Company are predominantly held in US dollar denominated assets, thereby mitigating this risk.
- The increasing global focus on high regulatory capital requirements, anti-money laundering / counter terrorist financing requirements as well as tax compliance is combining to create substantial pressures on financial institutions in the region. These pressures are creating opportunities for investors in the sector and PCF II is well positioned to capitalize on these opportunities.
- Low oil prices are benefitting energy importing countries like Jamaica, the Dominican Republic and Panama and hurting energy exporting countries like Trinidad and Colombia. As most of its production is pre-sold under long-term contracts, PCF II's energy sector investment has been largely insulated from lower energy prices. PCF II will seek to capitalize on relatively weak conditions in energy exporting countries to make investments at attractive entry prices.

## Outlook

The Company is in the process of conducting an initial public offering that is expected to increase the capitalization of the Company and its investment capacity. PCF II will continue to be the main investment focus for the company. PCF II's early investments are expected to commence generating distributions within 2016 and it has a robust pipeline of investment opportunities that give us cause to be optimistic about the future of the Company.

**SECTION 11:**  
**AUDITOR'S CONSENT**





**KPMG Eastern Caribbean**  
Morgan Building  
L'Anse Road  
P.O. Box 1101  
Castries, St. Lucia

Telephone (758) 453-1471  
(758) 453-0625  
Fax (758) 453-6507  
e-Mail kpmg@kpmg.lc

May 27, 2016

Portland JSX Limited  
20 Micoud Street  
Castries  
Saint Lucia

Dear Sirs,

**Re: Prospectus to be issued by Portland JSX Limited for the issue of 111,818,182 Ordinary Shares by Subscription in an Initial Public Offering**

With respect to the Prospectus for the issue by Portland JSX Limited ("the Company") of up to **111,818,182** Ordinary Shares by subscription in an initial public offering, we hereby consent to the inclusion in the Prospectus of our audit report, dated April 28, 2016 on the financial statements of the Company as at and for the period ended February 29, 2016 and to the references to our name in the form and context in which they are included in the Prospectus.

We confirm that we have not withdrawn our consent before delivery of a copy of the Prospectus approved by the Directors on May 27, 2016 to the Financial Services Commission of Jamaica for registration.

This letter should not be regarded as in any way updating the aforementioned report or representing that we performed any procedures subsequent to the date of that report.

Yours faithfully,  
For and on Behalf of KPMG

Frank V. Myers  
*Partner*

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 155 countries and have 174,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

Frank V. Myers  
Cleveland S. Seaforth Brian A. Glasgow  
Reuben M. John

## **SECTION 12:**

# **FINANCIAL INFORMATION**

**Part 1 - Audited Accounts for period Oct 1, 2015 – Feb 29, 2016**



**KPMG Eastern Caribbean**  
 Morgan Building  
 L'Anse Road  
 P.O. Box 1101  
 Castries, St. Lucia

Telephone (758) 453-1471  
 (758) 453-0625  
 Fax (758) 453-6507  
 e-Mail kpmg@kpmg.lc

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
PORTLAND JSX LIMITED

We have audited the financial statements of Portland JSX Limited ("the Company"), set out on pages 2 to 20, which comprise the statement of financial position as at February 29, 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from October 1, 2015 (commencement of operations) to February 29, 2016, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that are fairly presented in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that are fairly presented in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements are fairly presented the financial position of the Company as at February 29, 2016, and its financial performance and its cash flows for the period from October 1, 2015 (commencement of operations) to February 29, 2016 in accordance with International Financial Reporting Standards.

Chartered Accountants  
 Castries, Saint Lucia  
 April 28, 2016

KPMG is a global network of professional services firms providing Audit, Tax and Advisory services. We operate in 155 countries and have 174,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

Frank V. Myers      Brian A. Glasgow  
 Cleveland S. Seaforth      Reuben M. John

PORTLAND JSX LIMITED

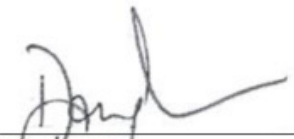
Statement of Financial Position

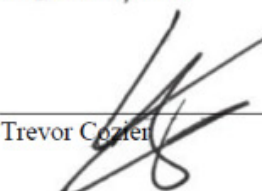
February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

	<u>Notes</u>	<u>2016</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSET</b>		
Financial investment, at fair value through profit or loss	4	<u>3,270,107</u>
<b>CURRENT ASSETS</b>		
Loans and receivables	5	43,660
Cash and short-term deposits	6	<u>10,502,840</u>
		<u>10,546,500</u>
<b>Total assets</b>		<b><u>\$13,816,607</u></b>
<b>CURRENT LIABILITIES</b>		
Other financial liabilities at amortised cost	7	11,665
Payables	8	<u>27,853</u>
		<u>39,518</u>
<b>EQUITY</b>		
Share capital	9	14,104,694
Deficit		<u>( 327,605)</u>
		<u>13,777,089</u>
<b>Total liabilities and equity</b>		<b><u>\$13,816,607</u></b>

The financial statements on pages 2 to 20 were approved for issue by the Board of Directors on April 28, 2016 and signed on its behalf by:

  
 \_\_\_\_\_ Chairman  
 Douglas Hewson

  
 \_\_\_\_\_ Director  
 Trevor Cozier

The accompanying notes form an integral part of the financial statements.

PORTLAND JSX LIMITED

Statement of Profit or Loss and Other Comprehensive Income  
Period from October 1, 2015 (commencement of operations) to February 29, 2016  
*(expressed in United States dollars unless otherwise stated)*

	<u>Note</u>	<u>2016</u>
Net gain on financial assets classified at as fair value through profit or loss		410,002
Net interest:		
Interest from loans and receivables		79,918
Interest expense		<u>(167,362)</u>
Net interest expense		<u>( 87,444)</u>
Other income		7,425
Administrative and general expenses	10	<u>(657,588)</u>
<b>Loss for the period, being total comprehensive loss</b>		<b><u>\$(327,605)</u></b>

The accompanying notes form an integral part of the financial statements.

PORTLAND JSX LIMITED

Statement of Changes in Equity

Period from October 1, 2015 (commencement of operations) to February 29, 2016  
*(expressed in United States dollars unless otherwise stated)*

	<u>Share capital (note 9)</u>	<u>Deficit</u>	<u>Total</u>
Issue of ordinary shares	14,104,694	-	14,104,694
Loss for the period, being total comprehensive loss	<u>-</u>	<u>(327,605)</u>	<u>( 327,605)</u>
Balances at February 29, 2016	<u>\$14,104,694</u>	<u>(327,605)</u>	<u>13,777,089</u>

The accompanying notes form an integral part of the financial statements.

PORTLAND JSX LIMITED

Statement of Cash Flows

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

	<u>2016</u>
<b>Cash flows from operating activities</b>	
Loss for the period	( 327,605)
Adjustments for:	
Gain on financial assets classified as fair value through profit or loss	( 410,002)
Interest income	( 79,918)
Interest expense	<u>167,362</u>
	( 650,163)
Changes in operating assets and liabilities:	
Due to related party	11,665
Payables	<u>27,853</u>
Cash provided by operations	( 610,645)
Interest received	36,258
Interest paid	<u>( 167,362)</u>
Net cash used in operating activities	( 741,749)
<b>Cash flows from investing activity</b>	
Financial investments, at fair value through profit or loss being net cash used by investing activity	( 2,860,105)
<b>Cash flows from financing activity</b>	
Proceeds from issuance of shares, being net cash provided by financing activity	<u>14,104,694</u>
<b>Cash and short-term deposits at end of period</b>	<u>\$10,502,840</u>

The accompanying notes form an integral part of the financial statements.

PORTLAND JSX LIMITED

## Notes to the Financial Statements

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

1. The Company

Portland JSX Limited ("PJX" or "the Company") was incorporated in Saint Lucia on 15 September 2015 as an International Business Company ("IBC") with IBC number 2015-00335. 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 a private 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 region (LAC). The company commenced operations on 1 October 2015.

Portland Private Equity II, Ltd., a Barbados exempted limited company (the "Barbados Management Company") and Portland Private Equity Canada Inc. (PPEC), 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.

2. Summary of significant accounting policies

## (a) Basis of preparation

## (i) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

**New, revised and amended standards and interpretations not yet effective:**

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current period and which the Company has not early-adopted. The Company has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and has determined that the following are likely to have an effect on the financial statements.

- IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January 1, 2016, has been amended to clarify or state the following:
  - specific single disclosures that are not material do not have to be presented even if they are the minimum requirements of a standard;



PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in thousands of Jamaican dollars unless otherwise stated)*2. Summary of significant accounting policies (continued)

## (a) Basis of preparation (continued)

## (i) Statement of compliance (continued)

**New, revised and amended standards and interpretations not yet effective (continued):**

- IAS 1, *Presentation of Financial Statements* (continued)
  - the order of notes to the financial statements is not prescribed;
  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material;
  - specific criteria are now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirements for the statement of profit or loss and OCI; and
  - the presentation in the statement of OCI of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss.

The Company is assessing the impact that this amendment will have on its 2017 financial statements.

- IFRS 7, *Financial Instruments: Disclosures*, has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

The Company is assessing the impact that this amendment will have on its 2017 financial statements.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*2. Summary of significant accounting policies (continued)

## (a) Basis of preparation (continued)

## (i) Statement of compliance (continued)

**New, revised and amended standards and interpretations not yet effective (continued):**

- IFRS 7 has also been amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendment to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

The Company is assessing the impact that this amendment will have on its 2017 financial statements.

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

The Company is assessing the impact that this amendment will have on its 2019 financial statements.

## (ii) Basis of measurement

The financial statements have been prepared on the historical cost basis, as 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.

PORTLAND JSX LIMITED

## Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*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

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

## (b) Cash and short-term deposits

Cash and short-term deposits include bank balances and highly liquid financial assets with original maturities of less than ninety days, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in their fair value.

## (c) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into United States dollars at the exchange rates prevailing at the reporting date.

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Gains and losses arising from exchange rate fluctuations are included in profit or loss.

## (d) Revenue recognition

Interest income is recognised on the accrual basis using the effective interest method.

## (e) Taxation

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 as tax expense or benefit in profit or loss except where they relate to items recorded in other comprehensive income, in which case they are also charged or credited to other comprehensive income.

## (i) Current taxation

Current tax charges are based on the taxable profit for the period, which differs from the profit before tax reported because they exclude 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.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*2. Summary of significant accounting policies (continued)

## (e) Taxation (continued)

## (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.

## (f) Securities purchased under resale agreements

Securities purchased under agreements to resell the asset at a fixed price on a future date (reverse repurchase agreements) are treated as collateralised lending. The underlying asset is not recognised in the Company's financial statements. The difference between the purchase and resale price is recognised as interest over the life of the agreements using the effective interest method.

## (g) Financial assets and liabilities

## (i) Recognition and initial measurement

Financial assets and liabilities at fair value through profit or loss are recognised initially on the trade date at which the Company becomes party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the profit or loss. Financial assets and liabilities not at fair value through profit or loss are measured initially at fair value, plus transaction costs that are directly attributable to its acquisition or issue.

## (ii) Classification

The Company has designated its investments as financial assets at fair value through profit or loss at inception.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*2. Summary of significant accounting policies (continued)

## (g) Financial assets and liabilities (continued)

## (iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the amount recognised and the maturity amount, minus any reduction for impairment.

## (iv) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

## (v) Derecognition

The Company derecognises a financial instrument when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability on the statement of financial position.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*2. Summary of significant accounting policies (continued)

## (g) Financial assets and liabilities (continued)

## (v) Derecognition (continued)

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received is recognised in the profit or loss.

The Company derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

## (vi) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Company has a legal right to set off the recognised amounts and it intends to settle on a net basis or to realise the assets and settle the liability simultaneously.

## (vii) Identification and measurement of impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset or group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

## • Calculation of recoverable amount

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*2. Summary of significant accounting policies (continued)

## (g) Financial assets and liabilities (continued)

## (vii) Identification and measurement of impairment (continued)

- Reversals of impairment

An impairment loss is reversed, if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

Net gain from financial instruments through profit or loss includes all realised and unrealised fair value changes but excludes interest, dividend income and dividend expenses.

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.

Valuation of units in unitised funds:

The value of units in managed funds are determined by the Managers, based on the net assets attributable to holders of redeemable units of the fund. A portion of the assets of the funds are invested in corporate bonds. Quoted market prices are not available for such bonds. Consequently, the value of units in the funds may be correspondingly different from the estimates presented.

4. Financial investment

This represents an unquoted equity investment in Portland Caribbean Fund II ("PCF II") amortised fund. Portland Caribbean Fund II ("PCFII") is managed by Portland Private Equity II Limited and its principal activities 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, with a focus on Panama and Costa Rica (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.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016  
*(expressed in United States dollars unless otherwise stated)*

5. Receivables

This represents interest receivable.

6. Cash and short-term deposits

2016

Bank (a)	3,060,281
Short-term deposit (b)	2,027,559
Short-term deposit (c)	2,015,000
Short-term deposit (d)	<u>3,400,000</u>

\$10,502,840

(a) This represent bank accounts held with First Global Bank Limited.

(b) This deposit with First Global Bank Limited earns interest at 2% per annum, and matures on May 16, 2016.

(c) This deposit with First Global Bank Limited earns interest at 2.65% per annum, and matures on May 16, 2016.

(d) This deposit with First Global Bank Limited earns interest at 2.75% per annum, and matures on November 16, 2016.

7. Other financial liabilities at amortised cost

This represents amounts payable to Portland Private Equity II Ltd. Further details of this investment are included in Note 4.

8. Payables

This represents accrued expenses.

9. Share capital

2016

Authorised, issued and fully paid:	
170,926,161 ordinary shares	14,290,399
Transaction costs of share issue	<u>( 185,705)</u>
	<u>\$14,104,694</u>



PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

10. Other operating expenses

	<u>2016</u>
Management fees (see note 1)	456,480
Accounting fees	780
Audit fees	22,000
Deal expenses	11,346
Miscellaneous	410
Legal and professional fees	166,351
Bank charges	<u>221</u>
	<u>\$657,588</u>

11. Financial risk management

(a) Overview and risk management framework

The Company’s activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company’s aim is therefore to achieve an appropriate balance between risks and return and minimise potential adverse effects on its financial performance.

The Company’s risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Management Companies under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk, market risk and other operational risk.

(b) Credit risk

(i) Credit risk management

The Company takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit exposure arises principally in investment activities that bring debt securities into the Company’s asset portfolio.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

11. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Credit risk exposure

Credit risk exposures relating to assets on the statement of financial position are securities purchased under resale agreements and investments in Portland Caribbean Fund II.

The Company have a significant concentration of credit risk at the reporting date in respect of financial investments with Portland Caribbean Fund II and First Global Bank Ltd, and the maximum credit exposure is limited to the carrying value of financial assets on the statement of financial position.

(c) Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The market risk arising from investment activities is determined by the Management Companies and monitored by the Board of Directors separately.

(i) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company has no exposure to this risk as it has no variable rate interest-bearing financial instruments.

(ii) Currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

At the reporting date, the Company had no exposure to this risk as it has no foreign currency assets/(liabilities).

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

11. Financial risk management (continued)

(d) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates. Assets available to meet all of the liabilities include cash balances and units in unitised funds.

Financial liabilities cash flows

The table below presents the undiscounted cash flows to settle financial liabilities based on contractual repayment obligations.

	2016	
	Within 3	3 to 12
	<u>months</u>	<u>months</u>
		<u>Total</u>
Financial liabilities:		
Due to related entities	11,665	-
Payables	<u>27,853</u>	<u>-</u>
	<u>\$39,518</u>	<u>39,518</u>

12. Capital management

Portland JSX Limited ('PJX') will be a limited partner in the Portland Caribbean Fund II, L.P., a Caymanian limited partnership which is one of several parallel partnerships that together comprise Portland Caribbean Fund II, a private equity fund with a mandate to make investments in equity or debt securities of private companies located in the Caribbean and Latin America. The Company will initially make a capital commitment to Portland Caribbean Fund II ("PCF II") which will obligate the Company to remit funds, cumulatively not to exceed the amount of the capital commitment, to PCF II upon receipt of capital call notices.

The Company may co-invest with Portland Caribbean Fund II ("PCF II") 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.

Pending the receipt of capital call notices in respect of the Company's commitment to Portland Caribbean Fund II ("PCF II"), which may occur over the period of several months or years, and at any time deemed appropriate by the Manager, the Company will invest in short-term instruments, money market funds, or similar temporary instruments.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016*(expressed in United States dollars unless otherwise stated)*12. Capital management (continued)

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 purposes and act as buffer to cover cash flow timing differences.

13. Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists, as it 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 reflect 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 observation data and the observation inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant observation 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.

## (a) Accounting classifications and fair values:

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

13. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values (continued):

	2016				
	Carrying amount			Fair value	
	Loans and receivables	At fair value value through profit or loss	Total	Level 2	Total
	\$	\$	\$	\$	\$
<b>Financial assets measured at fair value:</b>					
Financial investment at fair value through profit or loss	-	<u>3,270,107</u>	<u>3,270,107</u>	<u>3,270,107</u>	<u>3,270,107</u>

There were no transfers between levels in the period.

14. Related party balances and transactions

(a) Definition of related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the “reporting entity,” in this case, the Company).

- (1) A person or a close member of that person’s family is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
  
- (2) An entity is related to the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
  - (vi) The entity is controlled, or jointly controlled by a person identified in (1).

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)

Period from October 1, 2015 (commencement of operations) to February 29, 2016

*(expressed in United States dollars unless otherwise stated)*

14. Related party balances and transactions (continued)

(a) Definition of related party (continued):

(2) An entity is related to the Company if any of the following conditions applies (continued):

(vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(b) Identity of related parties:

The Company has related party relationships with, directors, Management companies and funds under the control of the management companies.

(c) The statement of financial position includes balances arising in the ordinary course of business, with related parties as follows:

	<u>Management company</u>
	\$
Financial assets at fair value through profit or loss	3,270,107
Due to related entities	<u>( 11,665)</u>

(d) The statement of profit or loss and other comprehensive income includes significant transactions in the ordinary course of business, with related parties, as follows:

	<u>Management company</u>
	\$
Operating income:	
Gain on financial asset classified as fair value through profit or loss	410,002
Management fees	<u>(456,480)</u>

## **SECTION 13:**

# **RISK FACTORS**

### **PJX INVESTMENT RISKS**

#### **Regulatory Risks**

The Company's business is subject to and governed by statutory regulations which may be changed in the future and such changes may affect its profitability.

#### **Taxation**

The tax structure which provides one of the advantages of investing in PJX to investors who are resident in Jamaica or other Caricom states that are signatories to the Caricom Double Taxation Treaty, may be subject to change in the future, a factor over which PJX has no control.

#### **Related Party and Potential Conflicts of Interest**

Portland Private Equity II, Ltd will manage the Company, pursuant to a Management Services Agreement dated October 22, 2015, and will also be providing investment management services to the Fund II. In spite of the multiple roles of the Manager, the interests of the various parties are generally aligned. Notwithstanding, the parties all share common interest in the success of PJX and it is possible that conflicts of interest may arise in the day-to-day operation of PJX. Further, the Company has established a Shareholder Advisory Committee whose function will be to, inter alia, determine the appropriateness of any action or inaction relating to conflicts or risk of conflicts of interest involving the Company, its shareholders or PCF II.

#### **Risk In Relation To First Issue**

This being the first public issue of Shares by the Company, no formal market for the Ordinary Shares has been established. The Invitation Price for each of the Ordinary Shares has been determined by the Directors on the advice of VM Wealth as lead broker and financial adviser to the Company. The Invitation Price should not be taken to be indicative of the market price of the Ordinary Shares after they are listed on the Jamaica Stock Exchange. No assurance can be given

regarding active or sustained trading in either the Shares of the Company or regarding the price at which either of the Shares will be traded subsequent to listing of the Shares on the JSE .

### **Listing**

There is also no assurance that either of the Shares will remain listed on the JSE. Although it is currently intended that the Shares will remain listed on the JSE, there is no guarantee of the continued listing of the Shares. Among other factors, the Company may not continue to satisfy any future listing requirements of the JSE. Shareholders will not be able to sell their Shares on the JSE if the Shares are no longer listed.

### **Risk Relating To Marketability of the Shares**

The Shares, even if listed on the JSE, may not be readily saleable and shareholders who may want to “cashout” may not be able to do so or may only be able to do so at a discount.

### **Trading Prices and Other Volatility**

The trading price of the Shares may fluctuate significantly after their listing on the JSE (or irrespective of it). The Shares may experience flat trading, being very infrequent or insignificant volumes of trading, either or which may extend beyond the short term and which may be dependent on the Company’s financial performance, as well as on investors’ confidence and other factors over which the Company has no control. In either case, the market price of the Shares may be negatively affected or constrained from growing. Also, the JSE is relatively small and the market in the Shares is expected to be relatively thin compared to larger capital markets, trades in small quantities of either or both of the Company’s Shares can trigger wide swings (up or down) in the market price of either or both of the Shares and make it easier for the stock price to be manipulated.

## **PCF II INVESTMENT RISKS**

### **Legal, Tax and Regulatory Risks**

The regulatory considerations affecting the ability of PCF II to achieve its investment objectives are complicated and subject to change. In addition, other legal, tax and regulatory changes could occur during the term of PCF II that may adversely affect PCF II. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by PCF II and the ability of PCF II to pursue its trading strategies. PCF II or its limited partners may be subject to income or other tax in jurisdictions in which PCF II invests. Moreover, withholding tax or branch tax may be imposed on



earnings of PCF II from investments in such jurisdictions. In addition, local tax incurred in such jurisdictions by PCF II or vehicles through which it invests may not be creditable to or deductible by the limited partners of PCF II in their respective jurisdictions. Finally, tax laws and regulations, as well as taxation treaties, may change, possibly with retroactive effect, in such a manner as to adversely impact PCF II's or a limited partner's tax treatment.

### **General Economic and Market Conditions**

General economic conditions may affect PCF II's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by PCF II or considered for prospective investment.

### **Foreign Currency Risk**

It is expected that some of PCF II's investments, and the income received by PCF II with respect to such investments, will be denominated in non-U.S. currencies. PCF II's books, however, will be maintained, and contributions to and distributions from PCF II will generally be made, in U.S. dollars. Accordingly, changes in currency exchange rates, costs of conversion and exchange control regulations may adversely affect the dollar value of PCF II's investments and the amounts of distributions, if any, to be made by PCF II. Currency exchange rates may fluctuate significantly over short periods of time and may also be affected unpredictably by intervention by governments or central banks (or failure to intervene) or by currency controls or political developments in one or more jurisdictions. PCF II may incur costs or experience substantial delays when, or prohibited from, converting one currency to another.

### **Economic Risks**

The economies in which PCF II will invest may differ favourably and unfavourably with regard to the rate of growth of gross domestic product (GDP), the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments. In the Caribbean, in particular, economic institutions are continuing to evolve throughout the region and their progress is often difficult to evaluate. Certain enterprises continue to operate under inefficient management structures with little accountability. Capital and advanced technology in certain countries of the region are in short supply. Market institutions have not yet developed in such a way as to allocate resources efficiently among firms. While basic bankruptcy laws are evolving, there is insufficient experience in the Caribbean region to ensure that such laws will permit orderly liquidation of inefficient firms.

**Equity Risk**

PCF II may invest in equity securities. Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic environment will influence its stock price. The value of PCF II is affected by changes in the prices of the stocks it holds. Investments that are convertible into equity may also be subject to equity risk.

**Limited Number of Investments**

PCF II may participate in a limited number of investments and, consequently, the aggregate return on a limited partner's investment in PCF II may be substantially adversely affected by the unfavourable performance of any one PCF II's investment.

**Restrictions on Transfer and Withdrawal: Lack of Liquidity**

The interests of the limited partners of PCF II (the "Interests") have not been registered under any applicable securities laws. There will be no public or private market for the Interests and none is expected to develop. In addition, the Interests are not transferable except with the consent of Portland Fund II GP, LP, the General Partner of PCF II, which may be withheld by the General Partner of PCF II in its sole discretion, and subject to the terms and conditions of the Agreement of Exempted Limited Partnership. Limited partners of PCF II may not withdraw capital from PCF II. Consequently, limited partners of PCF II may not be able to liquidate their investments prior to the end of the PCF II's term. In addition, practical limitations may inhibit PCF II's ability to liquidate certain of its investments in the portfolio companies when the issuer is privately held and PCF II owns a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavourable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of PCF II's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

**Available Opportunities**

The success of PCF II will depend on the availability of appropriate investment opportunities and the ability of PCF II to identify, select, close, improve and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable PCF II to invest all of its committed capital in opportunities that satisfy PCF II's investment objectives, or that such investment opportunities will lead to completed investments by PCF II.

## SECTION 14:

# PROFESSIONAL ADVISERS TO THE COMPANY

**Arranger & Lead Broker:** Victoria Mutual Wealth Management Limited  
6<sup>th</sup> Floor  
The Victoria Mutual Building  
53 Knutsford Boulevard  
Kingston 5

**Registrar & Paying Agent:** Jamaica Central Securities Depository  
40 Harbour Street  
Kingston

**Attorneys:** Hart Muirhead Fatta  
2nd Floor  
The Victoria Mutual Building  
53 Knutsford Boulevard  
Kingston 5

**Auditors:** KPMG  
Morgan Building  
L'Anse Road  
Castries  
St. Lucia

## SECTION 15:

# STATUTORY AND GENERAL INFORMATION

### 15.1 Statutory Information required to be set out in this Prospectus by section 41 and the Third Schedule to the Companies Act

- (1) The Company has no founders, management, or deferred shares.
- (2) The Articles fix no shareholding qualification for directors and none has been otherwise fixed by the Company in general meeting.
- (3) The Articles contain the following provisions with respect to the remuneration of Directors:
  - (a) The remuneration to be paid to any of the directors shall be such as the directors may from time to time determine and such remuneration may be in addition to the salary paid to any officer or employee of the company who is also a director. The Board may also award special remuneration to any director undertaking any special services on the Company's behalf other than routine work ordinarily required of a director and the confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors shall also be entitled to be paid their traveling and other expenses properly incurred by them in connection with the affairs of the Company.
  - (b) If any director or officer of the Company is employed by or performs services for the Company otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Company, the fact of his being a shareholder, director or officer of the Company shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.
  - (c) The remuneration of all officers appointed by the directors shall be

determined from time to time by resolution of the directors. The fact that any officer or employee is director or shareholder of the Company shall not disqualify him from receiving such remuneration as may be determined.

- (4) The names and descriptions of the Directors of the Company appear in Section 8 of this Prospectus. The addresses of the Directors are as follows:

Douglas Hewson	1375 Kerns Road Burlington, Ontario Canada L7P 4V7
Trevor Cozier	20 Micoud Street Castries St Lucia

- (5) The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act is \$100,000,000.00.
- (6) The Invitation will open for subscription at 9:00 a.m. on the Opening Date and will close at 4:30 pm on the Closing Date subject to the Company's right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount equal to or greater than the Shares in the Invitation, or to extend the Closing Date for any reason whatsoever.
- (7) All Applicants will be required to pay in full the applicable price per Ordinary Share as specified in this Prospectus. No further sum will be payable on allotment.
- (8) No previous offer of shares in the Company has been made to the public.
- (9) Save as set out in paragraph 17 below no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.
- (10) As at the date to which the Audited Financial Information in Section 12 is made up, the Company held investments amounting to US\$13,772,947.00.
- (11) There is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company. There is no contract for sale and purchase, which

would involve any goodwill, patent or trademarks.

- (12) As at the date to which the Audited Financial Information in Section 12 is made up, the Company had no indebtedness and no overdrafts.
- (13) Apart from such amounts already recommended for distribution by way of dividend and paid accordingly, no further amount is recommended for distribution by way of dividend, and accordingly paragraph 5(1)(d) of Part I of the Third Schedule to the Act does not apply.
- (14) No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part 1 of the Third Schedule of the Companies Act.
- (15) Regarding paragraph 10(1)(a) of Part 1 of the Third Schedule to the Act, within the two preceding years, no commission has been paid, nor will any be payable by the Company to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.
- (16) The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed \$47,099,285.00 (inclusive of brokerage and financial advisory fees, financial consultant's fees, legal fees, consultancy fees, auditors' fees, marketing expenses Companies Registrar's fees, initial fees and GCT).
- (17) Regarding paragraph 10(1)(c) of Part 1 of the Third Schedule to the Act, within the last two years preceding the date of this Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any promoter save for: VM Wealth for financial advisory and brokerage services associated with the Issue and the listing of the Shares on the Jamaica Stock Exchange under an agreement dated April 14, 2015. The agreement provides for VM Wealth to act as lead broker and financial adviser to the Issue (inclusive of transaction management services, company valuation, lead brokerage, and the development of a marketing strategy for the purposes of the Issue).

- (18) The material contracts of the Company are set out in Section 7.5.
- (19) The name and address of the auditors to the Company is KPMG, Morgan Building, L'Anse Road, Castries, St. Lucia.
- (20) KPMG has given and has not withdrawn its consent to the issue of this Prospectus with the inclusion of the Financial Information, and its name in the form and context in which it is included.
- (21) The issue is not underwritten.

## SECTION 16:

### DOCUMENTS AVAILABLE FOR INSPECTION

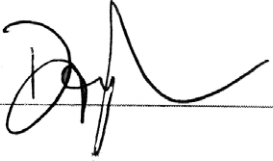
Copies of the following documents may be inspected at the offices of VM Wealth Management Limited, 53 Knutsford Boulevard, Kingston 5 between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or the extended Closing Date as the case may be):

- (1) The Certificate of Incorporation of the Company.
- (2) The Articles of Association and Memorandum of Association the Company.
- (3) The Audited Financial Information.
- (4) The consent of the Auditor to the inclusion of their names and references thereto in the form and context in which they appear in this Prospectus.
- (5) Management Agreement dated October 22, 2015 between PJX & Portland Private Equity II, Ltd.
- (6) A Certificate of Good Standing dated May 12, 2016 issued by the Registrar of International Business Companies in St Lucia.



## SECTION 17: DIRECTORS' SIGNATURES

The Directors whose signatures appear below are individually and collectively responsible for the contents of the Prospectus:

A handwritten signature in black ink, appearing to be 'D. Hewson', written over a horizontal line.

Douglas Hewson

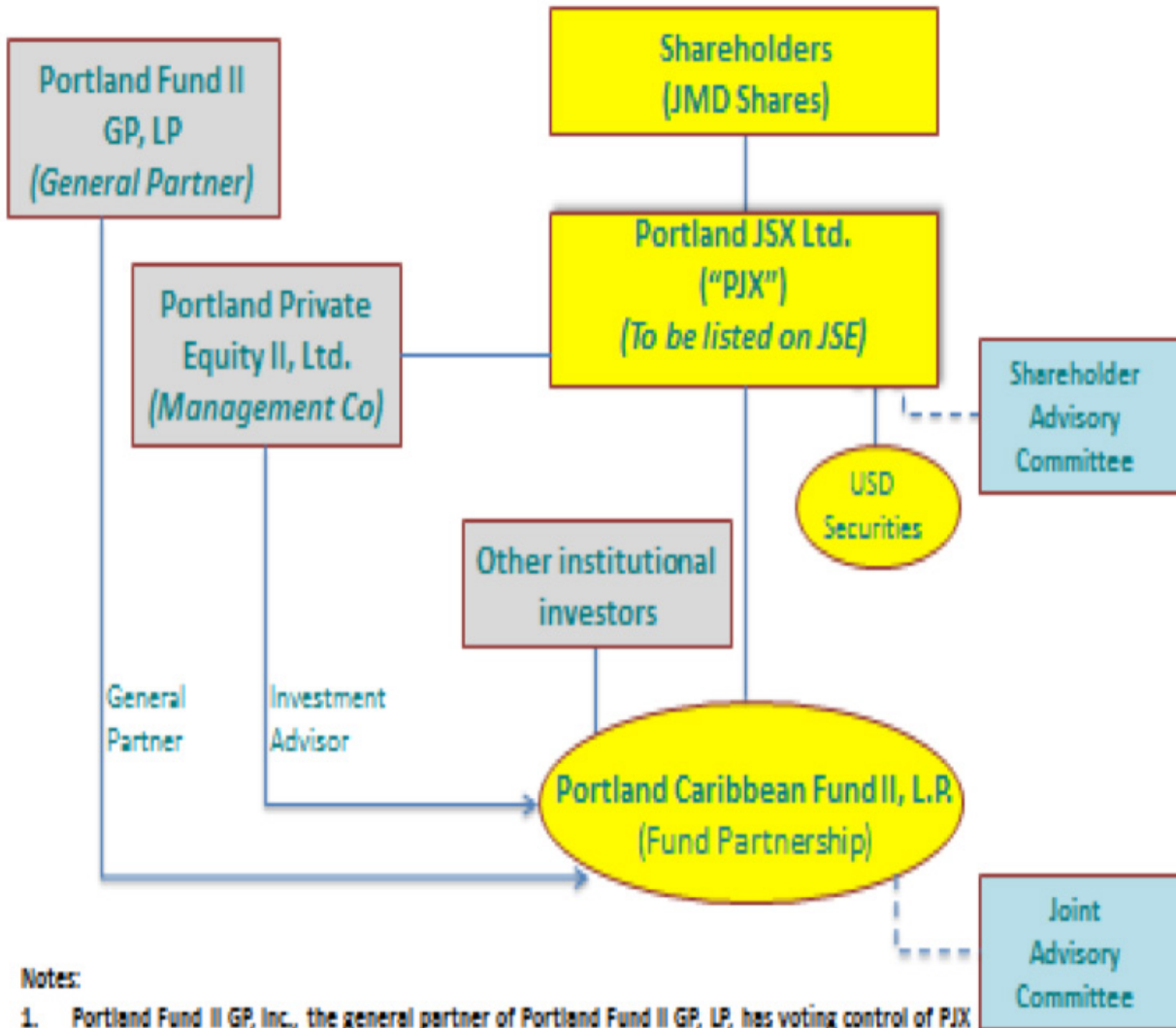
A handwritten signature in black ink, appearing to be 'T. Cozier', written over a horizontal line.

Trevor Cozier

# APPENDIX 1

## - OVERALL STRUCTURE SCHEMATIC

### FUND II: OVERALL STRUCTURE INCLUDING PJX



**Notes:**

1. Portland Fund II GP, Inc., the general partner of Portland Fund II GP, LP, has voting control of PJX
2. The Management Co. will manage PJX for no fee
3. The "Other institutional investors" and PJX are Limited Partners





## APPENDIX 3

### – VICTORIA MUTUAL LOCATIONS

LOCATION	ADDRESS, CONTACT DETAILS
Falmouth	15 Market Street, Falmouth, Trelawny   Tel: (876) 954-3207   Fax: (876) 954-3728
Half-Way-Tree	73-75 Half Way Tree Rd. Kingston 10   Tel: (876) 754-VMBS (8627)   Fax: (876) 926-4604
Head Office	8-10 Duke Street, Kingston, Jamaica   Tel: (876) 922-8627   Fax: (876) 922-6602
Liguanea	115 Old Hope Road, Kingston 6   Tel: (876) 927-7228/927-7294   Fax: (876) 977-4925
Linstead	110 King Street Linstead, St. Catherine   Tel: (876) 985-2177   Fax: (876) 985-2173
Mandeville	Shop #3 Manchester Shopping Centre   Tel: (876) 962-1030-3   Fax: (876) 962-1088
May Pen	40 Main Street, May Pen, Clarendon   Tel: (876) 986-2245, 986-2250   Fax: (876) 986-2119
Montego Bay	7 Market Street, Montego Bay, St. James   Tel: (876) 952-3772-6   Fax: (876) 952-7515
Montego Bay (Fairview)	Unit 8, Summit Business Centre, 3 Straddle Drive, Bouge Estate Montego Bay, St. James   Tel: (876) 684-9517, (876) 684-9513   Fax: (876) 953-6864

New Kingston	53 Knutsford Boulevard, Kingston 5   Tel: (876) 929-5406/929-5421   Fax: (876) 929-5489
Ocho Rios	7 Newlin Street, Ocho Rios, St. Ann   Tel: (876) 974-5412, 974-5935   Fax: (876) 974-7862
Papine	University of Technology (UTECH) 237 Old Hope Rd. Kingston 6 Tel: 927-0792   Fax: (876) 702-4638
Portmore	Lot 1, Sea Grape Close Portmore, St. Catherine   Tel: (876) 939-7955/72   Fax: (876) 939-7946
Santa Cruz	56 Main Street, Santa Cruz, St. Elizabeth   Tel: (876) 966-9948, 966-9957-8   Fax: (876) 966-9952
Savanna-la-Mar	123 Great George Street, Savanna-la-mar, Westmoreland Tel: (876) 955-4940-1
Spanish Town	22 Oxford Road, Spanish Town, St. Catherine   Tel: (876) 984-2629   Fax: (876) 924-2634