PORTLAND
JSX LIMITED

2020
Annual Report

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Disclaimer

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent the Manager's expectations regarding future events. By their nature, forward-looking statements must be based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Actual results may differ materially from the Manager's expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, foreign exchange rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest and the risks detailed from time to time in the Company's prospectus, and other investor documentation. The foregoing list of factors is not exhaustive and when relying on forward-looking statements to make decisions with respect to investing in the Investment Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, neither the Investment Fund nor the Manager undertakes, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

About Us

Bringing private equity opportunities to small and large investors.

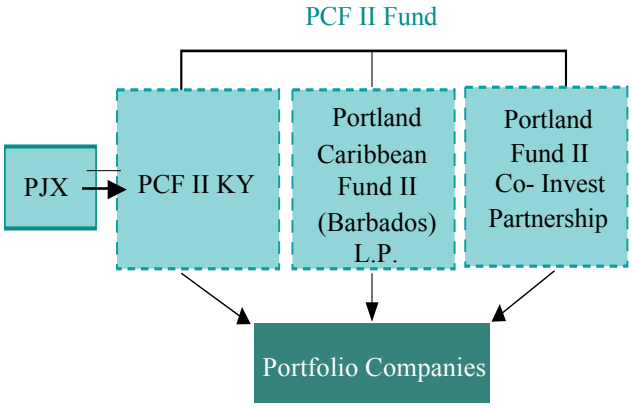
Portland JSX Limited ("PJX" or the "Company") is incorporated in St. Lucia as an International Business Company ("IBC") pursuant to the *International Business Companies Act, Cap. 12.14 Section 6* of St. Lucia. Its registered office is l ocated a t M cNamara Corporate Services Inc., 20 Micoud Street, Castries, St. Lucia.

PJX's IPO, which successfully closed in June 2016, raised JMD$1.23 billion for the Company. It was the largest IPO for ordinary shares on the Jamaica Stock Exchange at that time.

The primary business of PJX is that of a limited partner in the Portland Caribbean Fund II, L.P. ("PCF II KY"). PJX may also co-invest alongside PCF II KY. PJX expects its revenues to be generated from income and capital gains on its direct and indirect investments. PCF II KY is a limited partnership that is one of a set of parallel partnerships that comprise a fund ("PCF II Fund") that invests in quality businesses in the Caribbean and Latin America, and is managed by Portland Private Equity II, Ltd. The Company provides an opportunity for retail and institutional investors to gain access to the types of private and infrastructure investments that typically are only available to large institutional and ultra-high net worth investors.

Portland Private Equity II, Ltd. ("PPE"), a regular business company incorporated under the laws of Barbados, is the Investment Sub-Advisor to AIC Caribbean Fund and Investment Advisor to PCF II Fund, and provides management services to the Company. The PPE team has extensive experience successfully investing in businesses in multiple geographies and across a variety of sectors.

PCF II Fund has completed its investment cycle and the portfolio is fully built.



Statement of the Chairman

On behalf of the board of directors, I am pleased to report on the activities and performance of the Company for the year ended February 29, 2020. The Company's investment in PCF II KY grew by over 21%. This increase reflects active deployment of capital by the fund to portfolio companies. Profit for the year increased from a net loss of USD$1,321,907 in the prior year to a net profit of USD$1,345,405. Profit per stock unit was USD$0.0043 as compared to a loss of (USD$0.0043) per share in the prior year. The main focus of the year just ended was the continued support of PCF II KY in its investment activity, and the management of the Company's cash resources.

Overall, we were pleased with the performance of the PCF II Fund portfolio and were looking forward to further increases in portfolio valuation as well as cash distributions in the upcoming year. The COVID-19 global pandemic had a significant impact on achieving these plans.

Overall, we are pleased with the resilience that has been demonstrated to date by the companies in the PCF II Fund portfolio. The health and safety of employees, customers and community has been well managed. The companies maintained business continuity, especially important given the essential services (eg. electricity, telecommunications, financial services, groceries) provided by many of the companies. Financially, steps were taken to manage cash liquidity while the companies re-engineered their operations to adapt to an uncertain future. The portfolio's diversification is showing its benefits as portfolio company experience ranged from unplanned growth for the e-commerce grocery company to a temporary shutdown of operations of the tourism sector company. As the outlooks for the pandemic and the re-opening of economies are still highly uncertain, we will refrain from providing any future oriented guidance at this time and, instead, we look to provide more informed and frequent updates in the near future as uncertainties recede.

Performance Highlights

Key Metrics (USD)	February 29, 2020	February 28, 2019
Number of Issued Shares	309,968,261.00	309,968,261.00
Market Value of Outstanding Shares	24,867,995.56	18,306,081.27
Profit/(Loss) for the Year	1,345,405.00	(1,321,907.00)
12-Months P/E	18.48	(13.85)
Actual EPS	0.0043	(0.0043)
Return on Average Shareholders' Equity	5.38%	(5.29%)
Book Value Per Share	0.08	0.08

Key Metrics (JMD)		
Close Price	11.00	7.63
Number of Issued Shares	309,968,261.00	309,968,261.00
Market Value of Outstanding Shares	3,409,650,871.00	2,365,057,831.43
52 Week High	11.00	11.50
52 Week Low	7.00	7.01

Corporate Data

Directors

Douglas Hewson, *Chairman*

N. Patrick McDonald

Jonathan Murphy

Holly Hughes-McNamara

Patricia Francis

Bankers / Financial Agents

Victoria Mutual Building Society
53 Knutsford Blvd
Kingston 5, Jamaica

First Global Bank
28-48 Barbados Avenue
Kingston 5, Jamaica

Attorneys

Hart Muirhead Fatta
Attorneys-At-Law

Victoria Mutual Building
53 Knutsford Blvd, 2nd Floor
Kingston 5, Jamaica

Auditors

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

Corporate Secretary

MCSI Inc.
20 Micoud Street
Castries, Saint Lucia

Registered Office

c/o McNamara Corporate
Services, Inc.
20 Micoud Street
Castries, Saint Lucia

Board of Directors

Douglas Hewson

Non-Executive Chairman

Douglas Hewson has over 20 years of private equity and venture capital experience. He is a Managing Partner of Portland Private Equity. Prior to joining AIC Caribbean Fund, he was responsible for co-founding and leading two successful investment management firms. At PPE, he has primary responsibility for investor relations, is a board member of InterEnergy Holdings, IEH Penonome, Grupo IGA, Productive Business Solutions, Merqueo, and an observer to the board of Clarien Bank. He is a member of PCF II Fund's Investment Committee, and involved in all aspects of AIC Caribbean Fund and PCF II Fund's management.

Jonathan Murphy [1, 2]

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 maximize 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.

N. Patrick McDonald [2]

N. Patrick McDonald is a commercial attorney and a partner at Jamaican law firm, 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 Television Jamaica Limited, Independent Radio Company Limited and other broadcast media companies forming part of the RJRGleaner Group. He is a member of the Commercial Law Committee of the Jamaican Bar Association. He also serves as a member of the Office of Utilities Regulation, and is an Associate Tutor at the Norman Manley Law School.

Holly Hughes-McNamara [1]

Holly Hughes-McNamara is a partner at RDM Chambers in St. Lucia, offering Legal and other professional services to a global client base across many industries. She graduated with First Class Honors from the University of Newcastle Upon Tyne in England before becoming a Fellow of the Association of Chartered Certified Accountants (ACCA). After a five-year career in Audit and Accounting, she has spent 12 years in the Telecommunications Industry across both fixed and mobile in finance, management and then executive leadership roles. Hughes-McNamara is a non-Executive Director of a number of regional companies and offers consultancy services in business optimization, strategic management and finance.

Patricia Francis [1, 2]

Patricia Francis, CD, is Chair of the Government of Jamaica Trade Facilitation Task Force and is the former UN Assistant Secretary General and Executive Director of the International Trade Centre. Mrs. Francis joined the board of Portland JSX from its inception and also serves on the boards of Jamaica Producers Group Ltd., IESE Graduate Business School and B & D Trawling Ltd. Mrs. Francis spent the last fourteen months as special adviser to the Executive Director of UN Women, with responsibility to design and lead a change process across the global organisation. Mrs. Francis is the former President of JAMPRO (Jamaica Trade and Invest) 1995-2006, was a member of the Eminent Persons Group reviewing the African Caribbean & Pacific ("ACP") future relationships with the European Union 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.

[1] Member of Audit Committee

[2] Member of Compensation Committee

The Team – Depth and Alignment

As a limited partner in PCF II KY, the Company gains access to the management capability of PPE. PPE has been retained pursuant to an Investment and Advisory Agreement dated July 15, 2014 to manage PCF II Fund. The advisory services include monitoring investments in PCF II Fund, 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. PPE also provides management services to the Company. PPE is led by Hon. Michael Lee-Chin, O.J. PPE's Investment Committee 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 has an ownership stake in the management companies, as well as the portfolio businesses of PCF II Fund. Finding, nurturing and ultimately, exiting from successful industry leading business require a strong alignment of company management, investors and investment managers. PPE principals have committed USD$17 million to an affiliated entity of PCF II KY investing alongside its partners.

The Investment Team

Michael Lee-Chin

Michael Lee-Chin is the 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 NCB Financial Group Limited.

Robert Almeida

Robert Almeida is a Managing Partner of Portland Private Equity and helped launch AIC Caribbean Fund. He is an accomplished businessperson 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 Inc. (cable and telecommunications), Kingston Wharves Limited (port operator) and Advantage General Insurance (general insurance). Almeida currently serves on the boards of NCB Financial Group Limited, Clarien Bank Limited and several subsidiaries of Portland Holdings Inc.

Joe Vescio

Joe Vescio has 20 years of 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 Fund. Vescio founded a successful valuation practice earlier in his career and is a Chartered Accountant and Chartered Business Valuator by training.

Douglas Hewson

Douglas Hewson has over 20 years of private equity and venture capital experience. He is a Managing Partner of Portland Private Equity; prior to joining AIC Caribbean Fund, he was responsible for co-founding and leading two successful investment management firms. At PPE, he has primary responsibility for investor relations, is a board member of InterEnergy Holdings, IEH Penonome, Grupo IGA, Productive Business Solutions, Merqueo, and an observer to the board of Clarien Bank. He is a member of PCF II Fund's Investment Committee, and involved in all aspects of AIC Caribbean Fund and PCF II Fund's management.

Ricardo Hutchinson

Ricardo has over 12 years of experience in the Caribbean financial sector. He is currently Vice President — Investment at Portland Private Equity. Prior to joining Portland Private Equity, he worked with some of the Caribbean's leading financial institutions where he successfully closed several capital market transactions. He currently serves on the boards of Productive Business Solutions, Diverze Assets, Chukka Caribbean Adventures and Tropical Battery. He holds a Master's degree in Economics from the University of The West Indies and is a CFA Charterholder.

Pedro Molina

Pedro has over 14 years of Investment Banking experience, having advised clients on more than 40 M&A, Capital Markets, and Debt transactions with aggregate value in excess of $40 billion. Prior to joining Portland, Pedro led the UBS and Citibank investment banking divisions in Colombia and CAC. Pedro also worked for over 8 years as part of the IB teams at Bank of America Merrill Lynch and Stephens Inc. in New York. He currently serves on the board of Merqueo and as an observer on IGA. Pedro holds an MBA, Magna Cum Laude, from Babson College.

Hülya Sögüt

Hülya has over eight years of experience in Environmental and Social matters, besides expertise in development cooperation. She is the Environmental and Social expert at Portland Private Equity. Hülya formerly worked with PricewaterhouseCoopers in Germany and is fluent in Spanish, French and German.

Toni Tanille-Kerr

Toni is part of the investment team and works closely with Clarien Bank and other portfolio companies. She has amassed over 15 years of experience in credit risk, investment and commercial banking. Prior to joining Portland Private Equity, Toni was head of Corporate Underwriting and Portfolio Management at National Commercial Bank Jamaica Limited. Toni holds both a B.Sc. (Hons) and M.Sc. in Economics from the University of the West Indies.

Management Discussion & Analysis

The Company continued to participate as a limited partner in PCF II KY. At the end of the fiscal year, PCF II Fund had completed 11 investments in 11 companies creating a geographically and sectorally diverse portfolio in the LATAM/ Caribbean region. PPE continues to actively work with the management teams and other stakeholders of each portfolio company to increase value.

Strategy

PJX is a limited partner in PCF II KY. The strategy of the Company is essentially the same as the PCF II KY strategy – to 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 three pre-conditions:

i. A perception/reality gap;

ii. Inefficiencies; and

iii. Scarcity of equity capital;

(b) Geographies and sectors where the team enjoys a competitive advantage of knowledge, experience, access and presence.

The geography of focus is the Caribbean and Latin America (with a particular focus on Colombia, Panama, and Costa Rica). The sectors of focus are telecommunications, consumer goods, financial services, energy, food services, and business outsourcing.

The combination of scarcity of capital, extensive experience of PPE, the investment advisory team behind PCF II Fund, and regional access to a robust pipeline of potential transactions has created a successful formula for investing.

The Company may co-invest with PCF II KY in equity or debt securities of private companies located in the Caribbean and Latin America. The Company committed USD$32 million to PCF II KY and, accordingly, 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.

PCF II Fund successfully closed in September 2016 raising capital commitments from its limited partners in excess of USD$200 million, thereby becoming one of the largest sources of private equity financing in the region. PCF II Fund has made 11 investments throughout the LATAM/Caribbean region. Over 90% of total available capital is already deployed or committed. The foundation for future growth of net asset value and internal rate of return is quickly being established in high quality well run businesses. As well as investing, PCF II Fund engages with its portfolio companies to create value. PCF II KY actively works with the management teams of portfolio companies, participating on their boards and related committees. Significant attention is focused on key strategic areas like capital allocation, compensation alignment, company growth, and financing.

As a leading Environment, Social, and Governance (ESG) investor in the region, PPE is proud of its contributions to delivering the United Nations Sustainable Development Goals (SDGs). To learn more, please visit our recently released impact report, *Our Shared Future*, at portlandpe.com/our-focus/making-a-difference.

Current Economics Summary & Target Market

The spread of COVID-19 has resulted in an unprecedented global crisis. The IMF projects a 3% contraction in the global economy for 2020. Latin America and the Caribbean is expected to fare far worse with a 5.3% decline exacerbated by the impact of a fall-off in commodity prices in key Latin America countries. Caribbean islands are reeling from closure of the tourism sector, which accounts for >30% of GDP for many of these small island states.

There is significant uncertainty regarding the outlook for the future and, accordingly, we do not believe that it is helpful to try to provide any type of macro-economic projections. In volatile and uncertain times such as these, we believe that businesses need to be extremely adaptable so as to be able to respond quickly to a changing environment and not only survive, but thrive.

Risk Management

By its nature, PJX's risks are bi-level.

Corporate level:

These risks are associated with the operation of the Company such as credit risk, regulatory risk, liquidity risk, market risk and other operational risk.

PCF II Fund level:

At the PCF II Fund level, PJX faces indirectly many other risks associated with the portfolios such as market risk, liquidity risk, equity risk, economic risk and other risks that may have an effect on portfolio company and fund performance. PJX's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks.

At the corporate level, the board of directors ("Board") is ultimately responsible for the establishment and oversight of the risk management framework. The Board has established committees for managing and monitoring risks, as follows:

i. Participating in Joint Advisory Committee of PCF II Fund
ii. Establishing an Audit Committee
iii. Compensation Committee
iv. Shareholder Advisory Committee

At the PCF II Fund level, there are several layers of monitoring and oversight. Overall, PCF II Fund is managed by the general partner, Portland Fund II, GP, L.P. Investment and compliance is monitored by the PCF II Fund Investment Committee, which is comprised of PPE managing partners and an independent member. Finally, the Joint Advisory Committee comprised of representatives of the limited partners invested in the PCF II Fund, including PJX, provides oversight.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The nature of PJX's investment strategy is to hold long-term assets that should provide superior returns. Accordingly, the investment in PCF II KY is illiquid. Monetization will occur by disposition of underlying assets by PCF II KY and distribution to its Limited Partners. PCF II Fund has a contractually established limited life after which assets must be distributed. PJX monitors adherence to these contractual obligations to ensure ultimate liquidity. PJX has commitments to meet capital calls made by PCF II KY for investments and operating expenses. These commitments are pre-funded largely with cash and short-term investments held by PJX. In its treasury management, PJX must maintain a balance of maximizing returns while maintaining liquidity to meet its PCF II KY obligations. PJX has established a liquidity management process, which the Board believes meets these objectives. It is monitored by the Board.

Liquidity Risk (continued)

The Company's liquidity management process includes:

i. Monitoring future cash flows and liquidity on a regular basis. Quarterly operating expenses are substantially predictable except for capital calls from PCF II KY;

ii. Maintaining a portfolio of highly marketable underlying assets held by PCF II Fund that can be quickly monetized;

iii. Optimizing cash returns on short-term investment;

iv. Managing and matching maturity of treasury instruments with anticipated capital calls; and

v. Diversifying short-term instruments among two or more parties to reduce default risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. These arise mainly from changes in interest rate, foreign currency rate and equity prices and will affect the Company's income or the value of its holdings of financial instruments. Market risk with respect to investments within PCF II Fund are managed by PPE.

Currency Risk

Foreign currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. PJX is somewhat exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the functional currency (United States Dollars).

The main currencies giving rise to this risk are the Jamaican dollar, Euro, Colombian peso, and Trinidad and Tobago dollar. The Company manages this risk by matching foreign currency assets with foreign currency liabilities, to the extent practicable. The net foreign currency exposure is kept at the targeted levels by buying or selling currencies at spot rates when necessary to address imbalances.

Operational Risk

Operational Risk is the risk arising from execution of the business functions and in particular the risk of loss resulting from inadequate or failed internal control processes, people and systems, or from external events such as:

i. Internal Fraud: Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery;

ii. External Fraud: Theft of information, hacking damage, third-party theft and also forgery;

iii. Employment Practices and Workplace Safety: Employee health and safety, discrimination, workers compensation;

iv. Clients, Products, & Business Practice: Market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning;

v. Damage to Physical Assets: Natural disasters, terrorism, vandalism;

vi. Business Disruption & Systems Failures: Utility disruptions, software failures, hardware failures; and

vii. Execution, Delivery, & Process Management: Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets.

Corporate Governance Statement

The Board of Directors of Portland JSX Limited fulfills its fiduciary responsibilities by providing strong oversight of the Fund Managers, Portland Private Equity II, Ltd. (PPE) and the management of the Company's equity investments to ensure the highest standards of good governance are enforced to protect and increase the value to the Company's shareholders.

Update on Corporate Governance Activities

In keeping with the requirements of the Jamaica Stock Exchange (JSE) Main Market Rules, during the period, the Board reviewed the Company's Corporate Governance Policy which had been in effect for two years. Some minor adjustments were agreed to accord with international best practices and the revised Policy will be uploaded to the Company's website, www.portlandjsx.com.

Attendance at Meetings of the Board

Board meetings are held quarterly in each financial year. However, there was one special meeting in the year. Below is the attendance record for each of the Directors:

Names of Directors	Meetings Attended
Douglas Hewson, *Chairman*	5/5
Jonathan Murphy	3/5
Patricia Francis	3/5
Holly Hughes-McNamara	5/5
N. Patrick McDonald	4/5

Board Committee – Audit

The main objective of the Audit Committee is to ensure that the interests of shareholders are protected through the supervision of fiscal discipline, financial reporting, timely disclosure and compliance with relevant regulations and listing rules. The Committee also has responsibility to oversee the external audit process and to meet with the external auditors on an annual basis. The following meetings were held in the year:

Audit Committee Membership	Meetings Attended
Jonathan Murphy	2/2
Holly Hughes-McNamara	2/2
Patricia Francis	2/2

Board Committee – Compensation

The annual meeting of the Compensation Committee was held in October 2019 and attended by all its members as noted in the attendance schedule below. In April 2020, the Board took the decision to change the status of this Committee from being a standing committee to an ad hoc committee given the unique arrangement between the Company and the Fund Managers, PPE, and the fixed compensation arrangement in place.

Compensation Committee Membership	Meetings Attended
Jonathan Murphy	1/1
N. Patrick McDonald	1/1
Patricia Francis	1/1

Board Performance Evaluation

The performance evaluation questionnaire has been circulated to the Directors for completion in respect of the financial year and the responses are to be evaluated during the 2020 year. The Board has taken the decision to complete this exercise every two years going forward.

Directors Shareholdings

List of Shareholdings of Directors and Senior Management and Their Connected Persons as at February 29, 2020

Director	Shareholdings	Connected Persons
Douglas Hewson	Nil	Portland Fund II GP, Inc. Controlling Shareholder through Preferred Shares
Patricia R. Francis	Nil	-
N. Patrick McDonald	Nil	-
Jonathan Murphy	Nil	-
Holly Hughes-McNamara	Nil	-

Senior Management	Shareholdings	Connected Persons
Portland Private Equity II, Ltd.	Nil	Douglas Hewson
McNamara Corporate Services Inc.	Nil	-

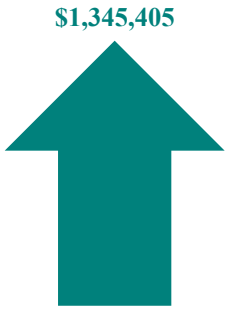
Top 10 Shareholders

Top Ten (10) Largest Shareholders as at February 29, 2020

Rank	Shareholder	Holdings	Percentage Holdings of JSX
1	Gracekennedy Limited Pension	40,000,000	12.90%
2	PAM – Pooled Equity Fund	24,961,500	8.05%
3	Peter 2 Company Limited Pension	23,727,000	7.65%
4	ATL Group Pension Fund Trustees	23,600,000	7.61%
5	SJML A/C 3119	20,000,000	6.45%
6	P.A.M LTD - JPS Employees	17,600,510	5.68%
7	Guardian Life Limited	13,063,400	4.21%
8	Guardian Life Limited/Pensions Fund	12,600,800	4.07%
9	WellJen Limited	11,500,000	3.71%
10	VMWealth Equity Fund	11,265,868	3.63%
	Subtotal	**198,319,078**	
	Total	**309,968,261**	

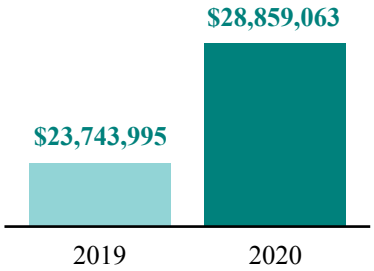
Financial Overview

This increase in net comprehensive income was primarily due to a net gain on financial assets from a valuation of the interest in PCF II KY.



Net Comprehensive Income

Investment in PCF II KY increased by $5,115,068, which is the result of three additional investments made in PCF II KY and a revaluation of the underlying portfolio.



Investment in PCF II KY

Operations Highlights

For the year ended February 29, 2020, the Company experienced an increase in the fair value of the investment in PCF II KY. The increase in fair value of PCF II KY was $5,115,068, which was attributable to three additional investments totaling $3,037,679 and a revaluation of the underlying portfolio during the reporting year. The most significant changes in value within the underlying portfolio companies for the year come from Inmaculada Guadalupe & Amigos en cia S.A ("IGA"), Liberty Latin America (CVBI), and Merqueo S.A.S. Total URGL during the year was USD$2,077,389.

Operating expenses were $828,343 for the year. In the prior year, operating expenses totaled $802,675, which included management fees and operating expenses. PCF II Fund closed three investments during the year. These investments were in Facey Telecom Ltd., Outsourcing Management Ltd., and a follow-on investment in Merqueo S.A.S.

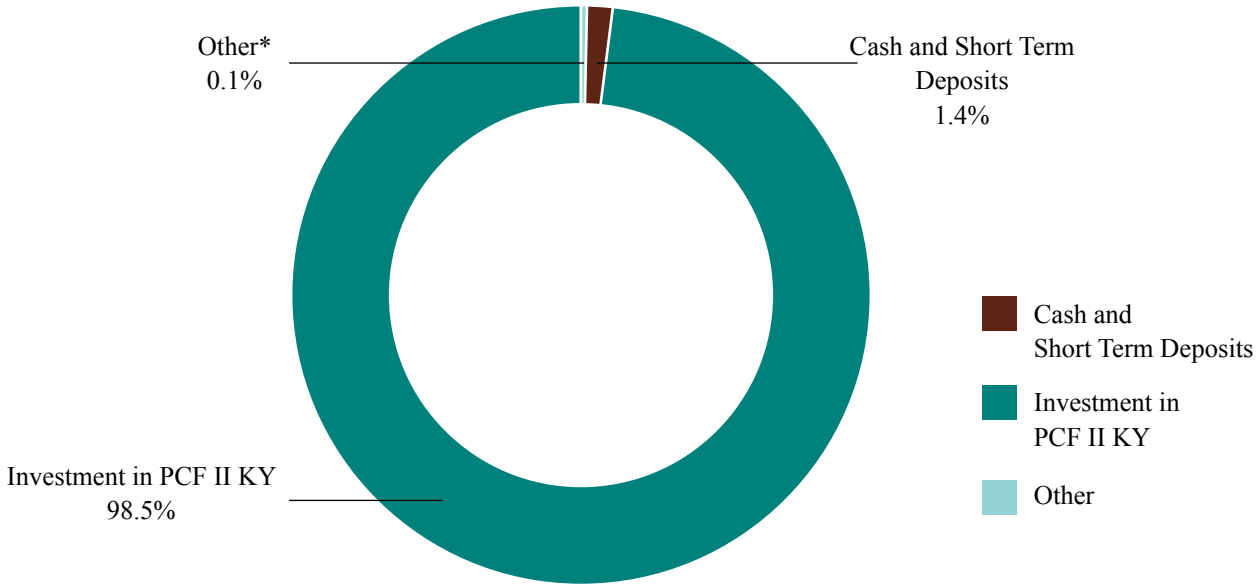
PJX Operations

Operating Results (USD)	February 29, 2020	February 28, 2019	February 28, 2018	February 28, 2017
Profit/(loss) before tax	$ 1,345,405	($ 1,319,658)	$ 1,897,921	($ 1,589,792)
Taxation	-	(2,249)	(306)	-
Profit/(loss) after tax	1,345,405	(1,321,907)	1,897,615	(1,589,792)
Attributable to shareholders of the Company	$ 1,345,405	($ 1,321,907)	1,897,615	(1,589,792)
Shareholders' Equity				
Shareholders' equity brought forward	$ 24,341,264	$ 25,663,171	$ 23,765,556	$ 13,777,089
Share capital, opening	25,682,953	25,682,953	25,682,953	14,104,694
Shares issued	-	-	-	11,578,259
Share capital, ending	25,682,953	25,682,953	25,682,953	25,682,953
Retained earnings, opening	(1,341,689)	(19,782)	(1,917,397)	(327,605)
Profit/(loss) for the year	1,345,405	(1,321,907)	1,897,615	(1,589,792)
Retained Earnings/ Accumulated deficit, ending	3,716	(1,341,689)	(19,782)	(1,917,397)
Fair value reserves, closing	2,309,251	(665,282)	2,074,249	(437,923)
Stockholders' equity carried forward	$ 25,686,669	$ 24,341,264	$ 25,663,171	$ 23,765,556

Balance Sheet

As in prior periods, the main assets are the investment in PCF II KY and cash instruments. The following illustrates the asset make up. The allocation will change, as capital calls reduce cash resources.

Year End – February 29, 2020 Asset Breakdown

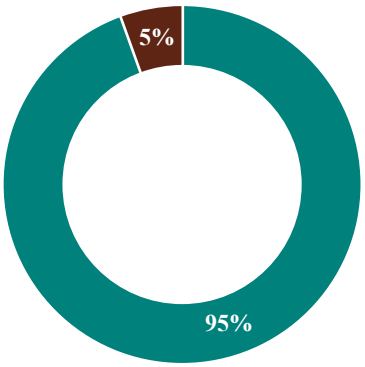


** Comprised of receivables and taxation recoverable*

Portfolio Overview

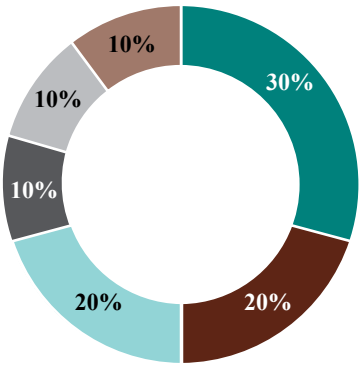
Summary

Capital Structure



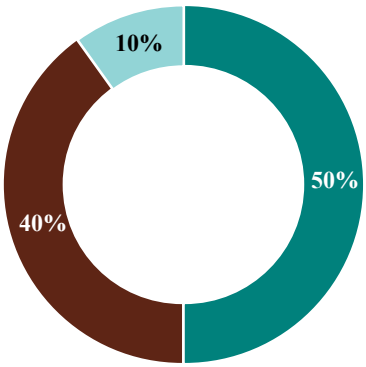
- Equity
- Debt

Sector Diversification



- IT & Telecom
- Energy
- Food Services
- Financial Service
- Hospitality
- Business Outsourcing

Geographic Diversification



- CARICOM
- LATAM
- Bermuda

Portfolio Companies

Liberty Latin America

Productive Business Solutions Limited

IEH Penonome Holdings

Diverze Assets Inc.

Clarien Bank Limited

Merqueo S.A.S

IGA Group

Facey Telecom Limited

InterEnergy Holdings

Outsourcing Management Limited

Liberty Latin America ("LILA")

LILA is one of the leading telecommunications providers in Latin America and the Caribbean with over 48,000 kilometers of fiber optic cable and retail services in 20 countries including Chile, Puerto Rico, Jamaica, Trinidad & Tobago, Panama, Barbados, the Bahamas and several smaller Caribbean islands. LILA is bringing better broadband to more people in the region.

Investment Date	January 2015 & December 2016
Headquarters	Bermuda
Investment Thesis	• Participate in anticipated growth of merged entity • Region remains fragmented and underpenetrated • Synergies, operating and financial leverage, are expected to amplify EPS growth • Liberty impact on Cable & Wireless Communications ("CWC") will be positive

2019 Performance Review	• FY 2019 key financial metrics (year-over-year ("yoy") adjusted for comparability)
	  • Revenue – USD$ 3,867 million; yoy rebased growth of 2%
	  • Operating Cash Flow – USD$1,541 million; yoy growth of 4%
	  • Property & Equipment Additions – USD$722 million (19% of Revenue)
	  • Adjusted Free Cash Flow – USD$223 million versus USD$19 million in 2018
	• Guidance for 2020 withdrawn except for guidance that they are managing to positive Free Cash Flow. USD 150 million of cost reductions being implemented in response to COVID-19 and which should increase profitability post COVID-19

COVID-19 Impact

Risk Level	Low
Key Risks Assessment	• Employee safety has been good with few COVID-19 cases and all recovered or recovering • Business continuity has been maintained, even in the face of demand growth and challenging work conditions. Approximately 90% of call center employees working from home. Mobile and self-serve solutions have been implemented • Working with local governments to deliver essential services • Chilean peso depreciation substantially offset by growth
Risk Management Plan	• Steps taken to enhance Health and Safety standards above already high standards • Company already has strong Business Continuity capabilities, which are extremely beneficial during this period of "social distancing" and "working remotely" • Company is well capitalized

Panama Wind ("IEH Penonome Holdings")

IEH Penonome Holdings is a holding company for ownership of the second and third phases of the Penonome Wind Power Park consisting of a total of 215MW of installed wind power capacity approximately 150km west of Panama City.

Investment Date	December 2014
Headquarters	Cayman
Investment Thesis	• Cash flow generating asset providing excellent preservation of capital qualities • Distressed developer provided opportunity to re-negotiate allocation of risks, penalties, liquidated damages, and completion incentives • Further PPA signed resulting in higher anticipated revenues • Merger opportunities within Panamanian market to create attractive listed vehicle
2019 Performance Review	• Wind production was good in 2019 resulting in the business being above budgeted results

COVID-19 Impact

Risk Level	Low
Key Risks Assessment	• Delays in payments anticipated
Risk Management Plan	• Information and communication plan rolled out to all employees • Suspended travel, instituted social distancing measures, implemented extreme cleaning measures throughout plants and offices

Clarien Bank Limited ("CBL")

A facilitating Loan was made to Clarien Group Limited ("CGL") to enable it to make a capital investment into 100% owned CBL to strengthen CBL's capital adequacy ratios. CBL is one of the largest Bermuda-based banks and an investment management, brokerage advisory and trust administration business. CBL's balance sheet largely consists of residential and commercial mortgages funded by retail and commercial deposits. The loan was made to provide CGL time to complete a strategic transaction with a regional financial institution with the intent that PCF II Fund would be able to co-invest in that transaction. The co-investment transaction was completed at the end of 2017 with PCF II Fund receiving cash and a minority equity interest, alongside controlling shareholder NCB Financial Group Limited.

Investment Date	March 2016
Headquarters	Bermuda, Jamaica
Investment Thesis	• Through co-investment into CBL, participate in the expansion and diversification of a leading Caribbean financial institution • Entering at trough of Bermuda economic cycle and at discount to book value • Revenue and cost synergies to be gained from merger into a larger Caribbean financial institution
2019 Performance Review	• The business is essentially performing to PPE's plan • 2018/19 was expected to see increased profitability from organic growth and integration synergies with NCB while a platform for transitional growth was established

COVID-19 Impact

Risk Level	Low
Key Risks Assessment	• Employee safety has been well managed • Business continuity plans have worked well to date • Longer-term loan impairments expected, resulting from macroeconomic impact
Risk Management Plan	• Health and Safety standards further enhanced above already high standards • Remote work commenced. Self-serve channels being promoted • Prime rate lowered and other services being offered to community • Liquidity increased • Portfolios being stress tested

Inmaculada Guadalupe & Amigos en cia S.A. ("IGA") ("Portland Foodservice")

The merger of two leading restaurant platforms in Colombia (Andrés Carnes de Res, Grupo Conboca) into a single entity is referred to as IGA. IGA covers casual dining, quick service, and food service segments with 217 owned venues, 86 franchises and a presence in 46 cities.

Investment Date	January 2017
Headquarters	Bogotá, Colombia
Investment Thesis	• Strong strategic sponsors and financial sponsor • Significant potential for value creation through expansion and realization of synergies • Attractive investment fundamentals and a diversified approach • Longstanding brands with consistent performance
2019 Performance Review	• Strong corporate results for 2019; The work of rationalizing stores, revising product offerings, expanding into other service lines, simplifying business models, and launching new stores is showing traction • International expansion plans progressing under a more conservative approach due to COVID-19

COVID-19 Impact

Risk Level	High
Key Risks Assessment	• Closure of main Andrés restaurants, and potentially all, has created a deep revenue drop-off. • High COVID-19 exposure risk to employees and customers
Risk Management Plan	• Established a detailed action plan comprising three different phases: 1. Full lockdown and restrictions; 2. Stabilization; and 3. Recovery • Activating all potential cash flow conservation measures as part of Phase 1 of action plan • Actively working on the reinvention of the business through over 30 different initiatives

InterEnergy Holdings ("InterEnergy")

InterEnergy owns and manages a diversified portfolio of energy assets spanning generation, transmission, and distribution in the Dominican Republic, Chile, Panama, and Jamaica.

Investment Date	January 2018
Headquarters	Guernsey
Investment Thesis	• Partner with industry leader in strategic, growing electric utilities sector seeking to pursue a transformative growth strategy focusing on alternatives and conversion to cleaner burning gas • Experienced management team with robust track record managing power assets in the region • High likelihood of capital preservation • Ability to achieve impressive returns on a risk-adjusted basis with various options for exit (dividends, refinancing, partial or full sale) • Strong cash generating businesses, resulting from multi-year contracts, low loss ratio, and increasing customer demand
2019 Performance Review	• 2019 budget was met • It continues to grow organically and inorganically

COVID-19 Impact

Risk Level	Low
Key Risks Assessment	• CEPM, which comprises a large portion of overall EBITDA, has considerable exposure to tourism given it services the broader Punta Cana region • Large employee base of essential workers therefore considerable possible exposure to virus • Other assets are generally un-impacted
Risk Management Plan	• Information and communication plan rolled out to all employees • Suspended travel, instituted social distancing measures, implemented extreme cleaning measures throughout plants and offices • Capex and OPEX cuts immediately instituted

Productive Business Solutions Limited ("PBS")

PBS is a vertically integrated business solutions group with the principal activities of the Company and its subsidiaries being the distribution of printing equipment, business machines and related accessories. PBS has exclusive distribution rights for Xerox in 14 countries making it the largest distributor of Xerox in the Western Hemisphere. The Company also maintains regional (Central America and Caribbean) distribution relationships with other large technology brands such as Cisco, Oracle, HP, NCR and L3 in addition to specific country distribution relationships with brands such as NCR, Sony, HP, Dell, Lenovo, Entrust Datacard, SMART, Verifone and Kodak.

Investment Date	July 2017
Headquarters	Barbados, operates in multiple jurisdictions in the Caribbean and Latin America
Investment Thesis	• Growth of existing business through efficiency improvements • Restructuring of the balance sheet with reduction in finance costs • Expansion into new territories
2019 Performance Review	• Despite continued challenges in a few markets, revenues increased marginally – driven by growth in the non-Xerox segment during the 2019 reporting year • EBITDA improved driven by a change in the product mix towards higher margin products and changes to the reporting of leases in line with changes in IFRS 16

COVID-19 Impact

Risk Level	Medium
Key Risks Assessment	• Recurring revenue business should be insulated • Collections have slowed, thereby pressuring working capital • Some disruption to supply/ distribution channels
Risk Management Plan	• Enhanced Health and Safety standards above already high standards • Negotiated delays and reductions with key suppliers and landlords • Delayed all capital expenditure • Improved work at home capacity • Implemented a staff rationalization and cost cutting exercise

Diverze Assets Inc. ("DAI")

DAI is a Jamaican family controlled holding company, domiciled in St. Lucia, in which PCF II Fund has an ownership stake. It's three primary holdings are: (i) Chukka Caribbean Adventures Ltd. ("Chukka", "CCA"), a leading operator of tourism attractions and tours in Jamaica, Turks and Caicos Islands, Belize and St. Lucia (ii) Tropical Battery Company Limited ("Tropical Battery") a leading supplier of automotive and industrial batteries in Jamaica. (iii) Diverze Properties Limited ("Diverze Properties") a property holding company holding several commercial properties.

Investment Date	June 2017
Headquarters	St. Lucia, operates in multiple jurisdictions in the Caribbean and Latin America
Investment Thesis	• Regional growth of Chukka • Efficiency improvement and local consolidation for Tropical Battery • Development of real estate properties • Potential local and regional acquisitions for both Chukka and Tropical
2019 Performance Review	• Chukka is improving operational procedures to increase efficiency and robustness • Tropical Battery continues to experience growth in gross profit margin by capturing additional market share through more efficient delivery systems • Tropical Battery continues to work on improving operational efficiencies

COVID-19 Impact

Risk Level	High
Key Risks Assessment	• Significant impact on revenues given the heavy dependence on tourism • Delayed payments from some clients including hotels and small businesses • Major disruption of supply chain
Risk Management Plan	• Health and Safety standards being increased above already high standards • Temporarily laid off the majority of staff pending the resurgence of the tourism sector • Agreement reached with landlords for reduction in lease payments and deferrals and lenders for waivers and deferrals

Merqueo S.A.S ("Merqueo")

Merqueo offers customers a seamless online platform where they can easily shop for groceries that are conveniently delivered to their door, at a price targeted to be 5-10% less expensive than those at a supermarket are. Merqueo is a "pure" dedicated online grocery retailer as it offers delivery of its own-inventoried products, which are centrally picked from one of its warehouses.

Investment Date	January 2019
Headquarters	Bogotá, Colombia
Investment Thesis	• Significant market opportunity confirmed by solid performance to date • Strong value creation potential through revenue growth and margin expansion • Professional and highly committed founding and management team with a successful track record • Clear exit alternatives through listing or acquisition by strategic player
2019 Performance Review	• Company continues its strong growth path reaching record monthly revenues • Basket size per customer has increased, highlighting an improved product portfolio • Management is highly focused on consolidating the company's presence in its current markets and minimizing capital needs and time to reach profitability • Additional investment interest from strategic investors, high net worth investors, and larger funds

COVID-19 Impact

Risk Level	High
Key Risks Assessment	• Pandemic has contributed to the Company experiencing higher than expected growth. This growth creates "positive stresses" on working capital and operations • Warehouses are high density for employees
Risk Management Plan	• Maintaining a rigorous cash conservation approach through the implementation of different cost-cutting initiatives, balanced with keeping the expansion efforts required to capitalize on the significant momentum arising from the current crisis • Protecting employees by implementing remote work plan and rigorous hygiene measures at the warehouses • Focusing on becoming a key partner for large corporate groups in Colombia, which have announced their intention to support the country's most vulnerable population segments through food donation programs • Working hard to keep up with soaring demand for grocery home delivery driven by extended national lockdown and social distancing requirements • Implementing several initiatives to fully capitalize on current positive dynamics by increasing customer acquisition, retention and activity rates with much lower expenses

Facey Telecom Limited ("Facey")

Facey is a consolidation of the Facey Group's telecommunication businesses across the Caribbean and Central America ("CCA") with those in the South Pacific. The primary activities of the telecom businesses include handset distribution, airtime distribution, SIM fulfilment and logistics. The Group will have the largest telecommunication distribution network in the region, which includes electronic terminals.

Investment Date	September 2019
Headquarters	Barbados, operates in multiple jurisdictions in the Caribbean and Latin America
Investment Thesis	• Growth of existing business through efficiency improvements • Growth of Logistics business throughout the Caribbean and Latin American • Acquisition of new distribution relationships
2019 Performance Review	• Revenues improved year-over-year driven by a strong fourth quarter as the company focused on revitalizing relationships given the improvement in working capital • Completion of capital restructuring has provided the necessary working capital, which will allow the company to take advantage of growth opportunities over the next few months • Company continues to work on further integrating its operations in South Pacific and the Caribbean, which is expected to bring further efficiency gains

COVID-19 Impact

Risk Level	Medium
Key Risks Assessment	• Demand for airtime expected to remain robust, however handset sales and logistics support are expected to be negatively impacted • Distribution channels likely to be impacted as small businesses close • Longer-term economic slowdown could impact handset demand
Risk Management Plan	• Implemented enhanced Health and Safety standards above already high standards • Promoting use of no touch top up methods • Enhanced management of receivables with daily monitoring • Updated and implemented a more robust work at home model

Outsourcing Management Limited ("itelbpo")

Itelbpo is a Business Process Outsourcing company providing voice and non-voice (digital) contact services, as well as high-value customer experience management. With over 2,700 employees across eight sites and four countries. itelbpo is the largest Jamaican-owned BPO firm in the region.

Investment Date	September 2019
Headquarters	St. Lucia, with operations in Jamaica, Bahamas, Mexico and the USA
Investment Thesis	• Growth of existing client portfolio • Business expansion through new client acquisitions • Managing cost/income with special emphasis on payroll related expenses
2019 Performance Review	• Revenues largely in line with budget • Improvements in operating efficiency resulted in EBITDA and Net Profit Margin improvements • The company continues to look for expansion opportunities

COVID-19 Impact

Risk Level	High
Key Risks Assessment	• Demand impacted particularly for those clients in the hospitality segments • Delays in payment of receivables particularly for smaller accounts • Business continuity plans should be manageable • Longer-term client growth may be impacted as businesses focus on recovery versus outsourcing
Risk Management Plan	• Implemented enhanced Health and Safety standards above already high standards • Negotiated payment reductions on leases • Increased the number of work at home agents across the group. Working with some clients to implement other measures to reduce the risk of a total loss of revenue in the event of closure of major locations

COVID-19 Considerations

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the fair value of our underlying investments. Other financial impacts could occur though such potential impacts are unknown at this time.

While the extent of the impact on each portfolio investment is unknown, certain actual events have occurred which have had an immediate impact on the financial viability of certain portfolio companies, as follows:

IGA

The COVID-19 outbreak in Colombia has resulted in reduced customer traffic and the temporary reduction of operating hours and services for all IGA restaurants/stores as well as temporary store closures where government mandated. Larger restaurants in the company have been completely closed. These developments are expected to result in lower sales and gross margin than previously anticipated.

Diverze/Chukka

The COVID-19 outbreak in the Caribbean region including Jamaica has caused business disruption through cancellation of travel and the mandated and voluntary closings of public facilities including tourist-oriented locations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the portfolio company and the Fund expects this matter to negatively impact operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Year Ended February 29, 2020

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Gros-Islet
Saint Lucia
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Email: ecinfo@kpmg.lc

INDEPENDENT AUDITORS' REPORT

To the Members of
PORTLAND JSX LIMITED

Opinion

We have audited the financial statements of Portland JSX Limited ("the Company") set out on pages 7 to 30, which comprise the statement of financial position as at February 29, 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 29, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Saint Lucia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PORTLAND JSX LIMITED

Key Audit Matter

The key audit matter is that which, in our professional judgement, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment in Portland Caribbean Fund II

The valuation of the Company's unquoted equity investment in Portland Caribbean Fund II ("the Fund") has been identified as an area of significant risk, given that the measurement of unquoted investments includes significant assumptions and judgments about the performance of the underlying investments of the Fund, market comparables and discounts used in the valuations.

Our audit procedures in this area included the following:

- Understanding and challenging the key assumptions and judgments affecting the Fund's valuation prepared by the Management Company, based on observable data.

- Using our own valuation specialists, assessing the reasonableness of the valuation methodologies employed by the Management Company and the fair value conclusions for the underlying investments in the Fund up to the reporting date. We considered the provisions of IFRS 13 *Fair Value Measurement* and reviewed the sources of data for market comparables, discounts and other assumptions utilised to value the underlying investments.

- Assessing the adequacy and appropriateness of the Company's unquoted investment disclosures, including the valuation techniques and significant inputs in accordance with IFRS 13.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PORTLAND JSX LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PORTLAND JSX LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 5 to 6, forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Lisa Brathwaite.

KPMG

Chartered Accountants
St. Lucia

June 11, 2020

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PORTLAND JSX LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
PORTLAND JSX LIMITED

Appendix to the Independent Auditors' report (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PORTLAND JSX LIMITED

Statement of Financial Position
February 29, 2020
(expressed in United States dollars unless otherwise stated)

	Notes	2020	2019
ASSETS			
NON-CURRENT ASSET			
Financial investment, at fair value through profit or loss	5	28,859,063	23,743,995
CURRENT ASSETS			
Cash and short-term deposits	6	136,760	237,545
Securities purchased under resale agreements	7	266,644	365,473
Receivables	8	40,462	53,962
Taxation recoverable		-	37,280
		443,866	694,260
Total assets		$29,302,929	24,438,255
CURRENT LIABILITIES			
Other financial liabilities	9	105,691	42,096
Payables	10	119,131	54,895
		224,822	96,991
NON-CURRENT LIABILITY			
Long-term loan	11	3,391,438	-
Total liabilities		3,616,260	96,991
EQUITY			
Share capital	12	25,682,953	25,682,953
Retained earnings/accumulated deficit		3,716	(1,341,689)
Total equity		25,686,669	24,341,264
Total liabilities and equity		$29,302,929	24,438,255

The financial statements on pages 7 to 30 were approved for issue by the Board of Directors on June 11, 2020 and signed on its behalf by:

_____Chairman
Douglas Hewson

_____ Director
Jonathan Murphy

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

PORTLAND JSX LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended February 29, 2020
(expressed in United States dollars unless otherwise stated)

	Notes	2020	2019
Income and fair value changes:			
Interest income, calculated using the effective interest method		10,280	55,191
Net fair value gains/(losses) on financial investment at fair value through profit or loss		2,309,251	(665,282)
Distributions of partnership interest income		-	93,108
Foreign exchange gains		17,801	-
		2,337,332	(516,983)
Interest expense		(163,584)	-
Operating expenses	13	(828,343)	(802,675)
Profit/(loss) before taxation		1,345,405	(1,319,658)
Taxation		-	(2,249)
Profit/(loss) for the year, being total comprehensive income/(loss)		$1,345,405	(1,321,907)
Profit/(loss) per stock unit	14	0.43¢	(0.43¢)

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

PORTLAND JSX LIMITED

Statement of Changes in Equity
Year ended February 29, 2020
(expressed in United States dollars unless otherwise stated)

	Share capital (note 12)	Retained earnings/ accumulated deficit	Total
Balances at February 28, 2018	25,682,953	(19,782)	25,663,171
Loss for the year, being total comprehensive loss	-	(1,321,907)	(1,321,907)
Balances at February 28, 2019	25,682,953	(1,341,689)	24,341,264
Profit for the year, being total comprehensive income	-	1,345,405	1,345,405
Balances at February 29, 2020	$25,682,953	3,716	25,686,669

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

PORTLAND JSX LIMITED

Statement of Cash Flows
Year ended February 29, 2020
(expressed in United States dollars unless otherwise stated)

	2020	2019
Cash flows from operating activities		
Profit/(loss) for the year	1,345,405	(1,321,907)
Adjustments for:		
Net fair value (gains)/ losses on financial investment, at fair value through profit or loss	(2,309,251)	665,282
Interest income	(10,280)	(55,191)
Distributions of partnership interest income	-	(93,108)
Interest expense	163,584	-
Foreign exchange gains	(17,801)	-
Taxation	-	2,249
	(828,343)	(802,675)
Changes in current assets and liabilities		
Receivables	13,238	-
Taxation recoverable	37,280	-
Other financial liabilities at amortised cost	63,595	(1,803)
Payables	10,771	24,384
Cash used in operations	(703,459)	(780,094)
Interest received	10,542	70,922
Partnership distributions received	-	93,108
Interest paid	(110,119)	-
Taxation paid	-	(7,969)
Net cash used in operating activities	(803,036)	(624,033)
Cash flows from investing activities		
Financial investment, at fair value through profit or loss, net	(2,805,817)	(2,344,212)
Securities purchased under resale agreements, net	98,829	1,570,286
Net cash used in investing activities	(2,706,988)	(773,926)
Cash flows from financing activity		
Proceeds from long-term loan, being net cash provided by financing activity	3,409,239	-
Net decrease in cash and cash equivalents	(100,785)	(1,397,959)
Cash and cash equivalents at beginning of year	237,545	1,635,504
Cash and cash equivalents at end of year	$ 136,760	237,545

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

PORTLAND JSX LIMITED

Notes to the Financial Statements
Year ended February 29, 2020
(expressed in United States dollars unless otherwise stated)

1. The Company

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

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

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

Portland JSX Limited and the Partnership

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

(1) Distributions and allocations:

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

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

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

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

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
Year ended February 29, 2020
(expressed in United States dollars unless otherwise stated)

1. The Company (continued)

(1) Distributions and allocations (continued):

(b) (continued)

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

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

(2) Management fees and other charges:

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

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

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

2. Statement of compliance and basis of preparation

(a) Statement of compliance

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

Certain new and amended standards come into effect during the financial year. The Company has assessed them and determined that none of them had any significant effect on the amounts and disclosures in the financial statements.

New and amended standards that have been issued but are not yet effective

At the reporting date, certain new and amended standards and interpretations have been issued which are not yet effective for the current year and which the Company has not early-adopted. The Company has assessed them with respect to its operations and has determined that the following are relevant:

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New and amended standards that have been issued but are not yet effective (continued)

(i) Amendments to *References to Conceptual Framework in IFRS Standards* is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements.

- New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;
- A liability will be recognised if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present.
- A new control-based approach to de-recognition will allow an entity to derecognize an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.

(ii) Amendment to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides the following definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Company is assessing the impact that these new and amended standards will have on its 2021 financial statements when they are adopted.

(b) Basis of measurement

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

(c) 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.

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 4.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
Year ended February 29, 2020
(expressed in United States dollars unless otherwise stated)

2. Statement of compliance and basis of preparation (continued)

(d) Functional and presentation currency

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

3. Summary of significant accounting policies

(a) 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.

(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 fair value.

(c) 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.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial instruments carried on the statement of financial position include financial investment, at fair value through profit or loss, cash and short-term deposits, securities purchased under resale agreements, receivables and other financial liabilities.

(i) Recognition and initial measurement

Financial instruments at fair value through profit or loss are recognised initially on the trade date, which is the date on 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 instruments at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial instruments 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.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification

On initial recognition, the Company classifies financial assets as measured at amortised cost or fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

All other financial assets of the Company are measured at FVTPL.

Business model assessments:

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. However, the information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification (continued)

Business model assessments (continued):

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and securities purchased under resale agreements. These financial assets are held to collect contractual cash flows.
- Other business model: this includes financial investment at fair value through profit or loss. This financial asset is managed and its performance is evaluated, on a fair value basis.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers the following:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the day of the first reporting period following the change in business model.

Financial liabilities

The Company classifies financial liabilities as measured at amortised cost.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (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, adjusted for any expected credit loss allowance.

(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 asset 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.

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

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

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(vi) Offsetting

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

(vii) Identification and measurement of impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition for estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as follows:

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive); and
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows. The Company does not currently have any credit-impaired financial assets.

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(e) Loan payable

A loan is recognised initially at fair value net of directly attributable transaction costs and is subsequently measured at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption value is recognised through profit or loss over the period of the loan using the effective interest method.

3. Summary of significant accounting policies (continued)

(f) Interest income

Interest income is recognised in profit or loss on the accrual basis using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition of a financial asset.

Amortised cost and gross carrying amount

See definition of amortised cost at Note 3(d)(iii).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

Presentation

Interest income calculated using the effective interest method presented in the statement of profit or loss includes interest on financial assets measured at amortised cost.

(g) Interest expense

Interest expense is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the issue of the financial liability.
The 'amortised cost' of a financial liability is the amount at which the financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
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3. Summary of significant accounting policies (continued)

(g) Interest expense (continued)

The effective interest rate of a financial liability is calculated on initial recognition of a financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

Interest expense presented in the statement of profit or loss and OCI includes financial liabilities measured at amortised cost.

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

Net gain from financial instruments classified as at fair value through profit or loss includes all realised and unrealised fair value changes but excludes interest and dividend income. Realised gains and losses are calculated using the specific identification method.

(i) 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.

(i) Current taxation

Current tax charges are based on the taxable profit or loss for the period, which differs from the profit or loss 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.

(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.

4. 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 those are believed to be reasonable under the circumstances.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
Year ended February 29, 2020
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4. Critical accounting estimates and judgements in applying accounting policies (continued)

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

Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows from the financial instrument being valued, determination of expected volatilities and correlations, and selection of appropriate discount rates. Consequently, the use of different assumptions and inputs could yield materially different results in the fair value of the Company's investment in the Fund from those reflected in the statement of financial position.

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

This represents an unquoted equity investment in the Fund. The Fund is managed by Portland Private Equity II Limited and its principal activity is to make private equity and related investments in companies or other entities located principally in certain member and associate member states of CARICOM, certain Development Assistance Committee Countries and certain Cotonou Agreement Countries (the "Target Region"), which excludes Cuba, Mexico and Venezuela. The Fund will also make investments in businesses, the securities of which have no established market and may be restricted with respect to transfer, with the principal objective of appreciation of invested capital. During the year ended February 29, 2020, the Company invested a further $2,805,817 (2019: $2,344,212) in the Fund.

6. Cash and short-term deposits

Cash and short-term deposits include savings accounts held with First Global Bank Limited and Victoria Mutual Wealth Management Limited.

7. Securities purchased under resale agreements

At the reporting date, the fair value of securities purchased under resale agreements, are estimated to approximate their carrying value, due to their short-term nature.

8. Receivables

	2020	2019
Interest receivable	367	629
Prepayments	40,095	53,333
	$40,462	53,962

9. Other financial liabilities at amortised cost

This represents amounts payable to Portland Private Equity II Ltd.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
Year ended February 29, 2020
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10. Payables

	2020	2019
Interest payable	53,465	-
Finance cost review fees	13,829	-
Other payables and accruals	51,837	54,895
	$119,131	54,895

11. Long-term loan

On July 22, 2019, the Company entered into a loan agreement with Victoria Mutual Investments Limited for a 5 year term loan facility of J$520,000,000 (US$3,792,575). Under the loan agreement, the Company has the right to make any number of drawdowns within the loan period up to the total of the principal sum.

The Company shall repay advances under the facility by lump sum principal payments in minimum amounts of J$10,000,000 (US$72,934) throughout the life of the loan or at maturity. Interest is charged at 9.5% and is payable quarterly from the date of disbursement. The facility is secured by a debenture over the fixed and floating assets of the Company.

As at February 29, 2020, the loan principal amount outstanding amounted to J$465,000,000 (US$3,391,438).

12. Share capital

	2020	2019
Authorised, issued and fully paid:		
309,968,261 (2019: 309,968,261) ordinary shares	26,392,474	26,392,474
Non-redeemable preference share (see note below)	1	1
Transaction costs of share issues	(709,522)	(709,522)
	$25,682,953	25,682,953

Portland Fund II GP, Inc., the general partner of Portland Caribbean Fund II, holds 1 (2019: 1) non-redeemable 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. is entitled to 51% of the votes of the shareholders. The preference share gives no right to dividends or distribution of assets in the event of a wind-up of the Company.

13. Operating expenses

	2020	2019
Management fees [see note 1, 18(d)]	503,528	640,000
Legal and professional fees	69,694	64,938
Audit fees	41,900	32,500
General and administrative expenses	34,172	31,818
Balance carried forward to page 24	649,294	769,256

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
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13. Operating expenses (continued)

	2020	2019
Balance brought forward from page 23	649,294	769,256
Directors' fees	27,500	27,500
Accounting fees	8,218	5,638
Irrecoverable withholding taxes	39,914	-
Bank charges	204	281
Commitment fees	89,384	-
Finance cost review fees	13,829	-
	$828,343	802,675

14. Profit/(loss) per stock unit

Profit/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares in issue for the year of 309,968,261 (2019: 309,968,261).

15. 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 a counterparty will cause a financial loss for the Company by failing to discharge an obligation. Credit exposure arises principally on investment activities that bring debt securities into the Company's asset portfolio.

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
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15. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Credit risk exposure

Credit risk exposures reflected on the statement of financial position relate to cash and short-term deposits, securities purchased under resale agreements and investments in the Fund.

The Company has a significant concentration of credit risk at the reporting date in respect of certain financial investments with Portland Caribbean Fund II and cash and resale agreements with First Global Bank Limited and Victoria Mutual Wealth Management Limited. 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 investment products, 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 fair 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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The main currency giving rise to this risk is the Jamaica dollar (J$).

At the reporting date, the J$ dollar equivalents of net foreign currency liabilities were as follows:

	2020 J$'000	2019 J$'000
Long-term loan	(465,000)	-
Interest payable	(7,331)	-
	(472,331)	-

PORTLAND JSX LIMITED

Notes to the Financial Statements (Continued)
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15. Financial risk management (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

The exchange rate of the US$ to the J$ at the reporting date was US$1.00 to J$137.11 (2019: US$1.00 to J$128.21).

Foreign currency sensitivity

The effect of a 6% (2019: 4%) strengthening of the United States dollar against the Jamaica dollar at the reporting date would, all other variables held constant, have resulted in an increase in surplus for the year of US$194,995 (2019: US$ Nil). A 4% (2019: 2%) weakening in the exchange rate would, on the same basis, have resulted in a decrease in surplus of US$143,538 (2019: US$ Nil).

(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 and short term deposits, and securities purchased under resale agreements.

The table below presents the residual contractual maturities of undiscounted cash flows (both interest and principal cash flows) of the Company's financial liabilities.

	2020				
	Within 3 Months	3 to 12 months	Over 1 year	Contractual cash flow	Carrying amount
Financial Liabilties					
Other financial liabilities	105,691	-	-	105,691	105,691
Payables	119,131	-	-	119,131	119,131
Long-term loan	80,547	241,641	4,492,247	4,814,435	3,391,438
	$305,369	241,641	4,492,247	5,039,257	3,616,260

In the prior year, financial liabilities, were due to be settled within three months at their measurement values.

16. Capital management

The Company is a Limited Partner in Portland Caribbean Fund II, L.P., a Cayman Islands exempted 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.

16. Capital management (continued)

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

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

Pending the receipt of capital call notices in respect of the Company's commitment to the Fund, 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.

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

17. Fair value of financial instruments

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

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

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The valuation of investments at fair value through profit or loss is as described in note 4.

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17. Fair value of financial instruments (continued)

(a) Accounting classifications and fair values:

The Company's investment in PCF II is measured at fair value and classified at level 3. The following table shows the valuation techniques used in measuring the fair value of the Fund's unquoted investments, as well as the significant unobservable inputs used.

Valuation techniques	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Investment in unquoted partnership Market - comparable companies	• Adjusted EBITDA multiple range of 4.90-10.90 times • 5%-15% liquidity discount	The estimated fair value would increase/(decrease) if: • Adjusted EBITDA was higher/(lower) • The liquidity discount was (higher)/lower
Loan to investee Recoverable value of loan amount	• Estimated cash flows from loan • Risk-adjusted discount rate	The estimated fair value would increase/(decrease) if: • Estimated cash flows increased/(declined) • Market interest rates (increased)/decreased

18. 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.

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18. 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):

(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).

(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) Identification 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:

	2020 $	2019 $
Financial investment at fair value through profit or loss	28,859,063	23,743,995
Prepaid management fees	40,095	53,333
Due to related entities	(105,691)	(42,096)

(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:

	2020 $	2019 $
Distributions of partnership interest income	-	93,108
Net fair value gain/(loss) on financial investment, at fair value through profit or loss	2,309,251	(665,282)
Management fees (note 13)	(503,528)	(640,000)
Directors' fees (note 13)	(27,500)	(27,500)
General and administrative expenses (note 13)	(34,172)	(31,818)

19. Subsequent events

(i) On April 20, 2020, the Company drew down funds totalling J$55,000,000 (US$393,914). The amount will be utilised for upcoming capital calls and operating expenses for Portland Caribbean Fund II L.P.

(ii) The World Health Organization declared the novel Coronavirus (Covid-19) outbreak a pandemic on March 11, 2020. The pandemic and the measures to control its human impact have resulted in disruptions in economic activities and business operations. This could have significant negative impacts on the fair value of the underlying investments of Portland Caribbean Fund II (The Fund) and consequently the Company's investment in the Fund, depending on factors such as (i) the duration and spread of the outbreak, (ii) the restrictions and advisories from Governments, (iii) the effects of the financial markets, and (iv) the overall effects of the economies related to the Fund's underlying investments, all of which are highly uncertain and cannot be estimated reliably.

The Company expects some effects on the financial performance of the underlying investments of the Fund and the key financial assumptions included in the investment valuations after the reporting date. However, management has determined that these effects do not require adjustments to the financial statements at the reporting date. Also, at the date of approving these financial statements, management does not believe that the Covid-19 pandemic will affect the Company's ability to continue as a going concern.