



VM Wealth raises billions for VMIL, property fund

For Immediate Release

Tuesday, September 28, 2021

KINGSTON, Jamaica – Victoria Mutual Wealth Management Limited (VMWM) is securing its position as a leader in capital markets, acting as lead broker and arranger to raise \$2.5 billion for parent company, Victoria Mutual Investments Limited (VMIL) this month for the expansion of VMIL's investment in small and medium-sized enterprises and other asset classes.

This raise was done through an 18-month **unlisted** bond offer at a 5.5 per cent interest rate. The bond was **issued on July 16, 2021** with a **maturity date of January 16, 2023**.

"VMWM has long been a leader in the local capital markets. This has been evident in the number and range of clients that have sought the services of our Investment Banking outfit. In the last three years, we have raised over \$50 billion. Of course, this latest raise was particularly different because we were raising funds on behalf of our parent company; nonetheless the terms and structure of this successful bond raise is further indication of what we are able to deliver for our clients," said Dwight Jackson, Assistant Vice President, Capital Markets, VMWM.

He said VMIL's Caribbean Information and Credit Rating Services Limited (CariCRIS) Investment Grade rating earlier this year acted as leverage in the debt raise.

VMIL was assigned a stable outlook on the ratings with the expectation that it will remain profitable and adequately capitalised in the near future. In a statement, CariCRIS also said the business was expected to see growth in its interest-earning asset base and in earnings on the part of its subsidiary, VMWM, as being in line with the company's strategic direction.

Jackson further noted that VMWM has several exciting deals being finalised for the end of the year.

"We have a number of transactions in our pipeline. For the rest of the year, VM Wealth will be focused on working assiduously to close out these transactions, so we can have another very successful year," he said

Meanwhile, VMWM is continuing an impressive showing in the management of the number one performing property fund, with a capital raise of \$2.1 billion to expand its operations outside of the corporate area and diversify the Fund's assets. This brings to \$4.6 billion debt raised by the company within a month.

In August, the VM Wealth Classic Property Portfolio refinanced the debt, initially raised last year, for the acquisition of a fully tenanted, 50,000 square foot property with a long-term lease with a Business Process Outsourcing (BPO) operator, which is expected to meaningfully enhance returns on the portfolio.

The VM Wealth Classic Portfolio is the number one performing real estate unit trust portfolio in Jamaica, recording an impressive 5.8 per cent six-month growth rate up to June this year; and has been a leader in the sector in recent years, boasting the highest growth rate in 2018 and 2019, and second highest in 2020.

The property fund-specific debt raise is for 12 months with an interest rate of six per cent.

Davie Martin, Asset Management Lead, VMWM, said the new acquisition is an attractive property which will accrue positive returns for investors in the portfolio.

"This is part of a strategic move to increase our presence outside of the corporate area and we are expecting to see significant gains as this asset is already earning attractive returns and gives the Fund exposure to a new sector with the BPO commercial space," he said.

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