MAKING MONEY WORK FOR YOU.

COP26 Climate Change Conference and You

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ANALYST INSIGHT

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COP26 Climate Change Conference and You

Environmental, Social, and Governance (ESG) considerations have become increasingly important in the investment landscape. This has been accelerated as climate change and general environmental sustainability discussions intensified with the onset of the coronavirus pandemic. Many have seen the pandemic as an opportunity to rebuild economically and socially in a way that protects public health and preserves the environment, which is termed the "Great Reset". In the middle of these developments, insert COP26 which is the 2021 United Nations climate change conference. We, therefore, look at what is COP26, what were some key takeaways from the meeting, and lastly some potential investment implications.

What is COP26?

COP26 (Conference of the Parties) is an annual UN Climate change conference inaugurated in 1995 and which brings together signatories to the United Nations Framework Convention on Climate Change (UNFCCC); an international environmental treaty that addresses climate change. This COP is important for two (2) primary reasons. Firstly, it occurs as mentioned prior, during a time where great emphasis is currently being placed on a "great reset" or starting back better. Secondly, it represents the first meeting surrounding performance assessment relating to the Paris Accord which was signed at COP21, with previous meetings since then being primarily focused on implementation issues. It also represents the first meeting since the US rejoined the Paris Agreement and so the actions of the US would have been in intense focus for this meeting.

Key Meeting Takeaways

Fresh Funding Commitment -It was noted that there was a need to improve financing to poorer countries to achieve the targets set by the convention. This was in the context of greater indebtedness due to the pandemic as well as developed nations falling short of their previous US$100 bn a year target by 2020 (commitments tally US$80bn a year). The reaffirmed commitment was a contribution of $100 bn a year between 2020-2025. Of note developing countries lobbied for an increased pivot of funding towards climate adaptability as opposed to clean energy investment. The reason for this being the deleterious effects of climate change such as rising sea levels and more abnormal weather events serve as a more immediate concern for many, particularly small island development states.

Uniform ESG reporting- The establishment by the International Financial Reporting Standards (IFRS) board of an International Sustainability Standards Board (ISSB) is a major step forward towards establishing a single set of ESG reporting standards with a recognizable framework. This announcement was made at COP26 and occurs at a time where there has been increased pressure by regulatory authorities to mandate ESG reporting for public companies in various jurisdictions. (E.g. The Reserve Bank of New Zealand recently made climate-based disclosures mandatory in April 2021 for publicly listed companies as well as large financial institutions and investment managers)

"Phasing Down" of Coal -Another noticeable event at COP26 was the last-minute scramble concerning the wording of the group's plan for coal. This as India suggested the term "Phase down" instead of "Phase out" to be used in the agreement regarding coal use. The result was an agreement to "phase down" coal use, a notion that was also supported by China and the US.

Investment Implications

Before the meeting, there was a strong push by environmentalists for world leaders to agree to phase out coal. While the terminology was watered down to "phase down" in the final agreement, this still serves as a minor victory for advocates. This is coupled with countries committing to net zero emissions with different individual timelines. The second-order effect of this is a pivot to cleaner energy sources with natural gas being touted as the best transitory option to cleaner energy in the short to medium term. This would of course, bode well for both natural gas producers and sovereigns that export the resource (In a regional example, think Trinidad).

Current trends will continue to boost the demand for sustainable investment options by the public. This was further propelled by the soon to be established normalized reporting standard for ESG related disclosures which would have been one of the major complaints given by global sustainability-conscious investors. Direct implications for investors would include more access to ESG info in which to make their investment decisions as well as increased funds to and hence subsequent higher premiums paid for companies that perform well on ESG metrics. The conscious investor or simply ones looking for an inkling of higher returns might hence try to consider such companies when creating their investment portfolio. While compulsory reporting locally for example might not be a thing in the very short term, domestic exposure to green energy and possibly good ESG includes, for example, MPC clean energy, while internationally there are a host of options.

The resolution in regards to greater funding for climate adaptability bodes well for several sovereigns. This objective includes financing to deal with the impact of more frequent adverse weather events and also climate-smart technologies. The clearest implication of this is the increased ability to raise funds both for insurance against these adverse weather events and also the ability to raise funds via sustainable bonds. The potential benefit of this particularly in a sovereign bond portfolio is the recent acknowledgment by fitch of Jamaica's catastrophe bond issue. In that release, it was noted that they incorporate natural disaster risk in a country's Long-Term Foreign-Currency Issuer Default Rating, and as such an environment conducive to such issues will bode well for sovereign issuers and add an extra layer of risk reduction for bondholders.

In conclusion, COP26 is simply the annual United Nations climate change conference. This COP is particularly important as it reviews current progress on past initiatives set out. Key takeaways include a recommitment to US$100 bn per year in climate finance to developing countries, the emergence of possible uniformed ESG reporting, and phasing down of coal and other fossil fuel usage. This presents investment implications such as more space for countries and companies exposed to cleaner energy resources, better ESG scores, and the ability of certain sovereigns to reduce the risk associated with climate change-induced extreme weather events.

LOCAL EQUITIES MARKET

For the week ended Friday, our local stock market decreased week-over-week. The JSE Combined Index decreased by 0.39%, the Main Market Index decreased by 1.51%, the JSE All Jamaican Composite Index decreased by 1.16%, the JSE Junior Market Index advanced by 0.96%, and the JSE USD Equities Index increased by 1.%. During the week, Caribbean Assurance Brokers Ltd. was the largest gainer, rising by approximately 38.75% to close at J$2.46. The biggest loser was Productive Business Solutions Ltd 9.75% cumulative redeemable Pref Shares which fell by 31.96% to close at J$70.76.

Year to Date, The Junior Market Index (+30.49% YTD) continues to outpace its Main Market counterpart (-0.11% YTD) by a wide margin.

As of Friday November 12, 2021, Overall Market activity resulted from trading in 114 stocks of which 52 advanced, 53 declined and 9 traded firm. Market volume amounted to 107,385,733 units valued at over $712,612,956.55. Future Energy Source Company Ltd ordinary shares was the volume leader with 13,897,241 units (12.94%) followed by Wigton Windfarm Limited ordinary shares with 13,042,610 units (12.15%) and Pulse Investments Limited with 10,866,126 units (10.12%) .

Revisiting relevant news during the week:

Following its insurmountable growth during 2020 that was scathed by the pandemic, GraceKennedy (GK) Limited has generated $95.78 billion in revenue during the first nine months of 2021 (Jan–Sep), which is $20 billion shy of the $115.44 billion earned in 2020.
GraceKennedy earns record $96 billion

JMMB (Jamaica Money Market Brokers) Bank says it has topped the banking industry achieving growth of approximately 39 per cent or a $20.4-billion uptick in its loan portfolio for the period ended June 30, based on recent Bank of Jamaica (BOJ) statistics.
JMMB Bank loan portfolio grows 39 per cent

The VM Building Society is maintaining its interest rates, thereby sparing its members and customers from the effects of the recent one percent increase in benchmark interest rates from the Bank of Jamaica (BOJ).
VM absorbs interest rate hike

Key Insurance, at the end of its third quarter, the period from July to September, posted after tax net profits of $10.9 million, near doubling that for the similar period last year and marking the fifth-consecutive profitable quarter for the company since listing on the local stock exchange.
Key turns $10.9 million in Q3 profits

Sygnus Capital Limited has successfully raised $3.1 billion by way of a private placement of bonds for Jamaican-based Outsourcing Management Limited (OML) trading as itelbpo, as part of the global expansion of the Jamaican-grown business process outsourcing (BPO).
Sygnus Capital raises $3.1 billion to support itel expansion

Emmanuel Joseph, writer for Barbados Today newspaper, reported on Monday November 8 that the the Financial Services Commission (FSC) in Barbados is being asked to review the decision by CIBC FirstCaribbean International Bank (CIBC-FCIB) to transfer its pension portfolio to Sagicor.
Barbados insurers object to Sagicor acquisition

Index	12/11/2021	5/11/2021	31/12/2020	Week/Week	Year-to-Date
JSE Main Market	395,171.32	402,122.99	395,614.93	-1.73%	-0.11%
JSE Junior Market	3,449.28	3,416.44	2,643.38	0.96%	30.49%
JSE Combined Market	400,424.14	406,547.11	392,435.92	-1.51%	2.04%
JSE USD Equities Market	200.05	196.43	186.30	1.84%	7.38%
JSE All Jamaican Composite Index	437,644.58	442,782.78	433,521.09	-1.16%	0.95%

INTERNATIONAL DEVELOPMENTS

Stocks retreated from record highs, as investors confronted data showing the highest inflation in three decades. On Tuesday, the S&P 500 Index registered its first decline in nine sessions, ending its longest winning streak since 2017. Consumer discretionary shares led the declines in the S&P 500 following a steep fall in Tesla, after CEO Elon Musk announced plans to sell some of his shares. Energy shares were also especially week as oil prices backed away from recent peaks. The small materials sector performed best, seemingly helped by the recent passage of the Biden administration's USD 1.2 trillion infrastructure bill in the House of Representatives. The week was also notable for the initial public offering of electric vehicle maker Rivian—the largest for a U.S. company since Facebook's in 2012. Fixed income markets were closed on Thursday in observation of Veterans Day.

The major indexes fell sharply on Wednesday morning following news that the consumer price index (CPI) jumped 0.9% in October, well above consensus expectations of around 0.6%. The increase brought the year-over-year CPI increase to 6.2%, the highest since December 1990. A surge in energy prices deserved much of the blame, but core inflation, which excludes the volatile energy and food segments, rose 0.6%, also more than expected. T. Rowe Price traders noted that a poorly received auction of long-maturity Treasury bonds may have further soured the mood for equity investors.

Global Markets Weekly Update | T. Rowe Price (troweprice.com)

Consumers appeared to be paying much more attention to higher inflation than the healthy job market, however. On Friday, researchers at the University of Michigan reported that their gauge of consumer sentiment fell to its lowest level (66.8) in a decade due to inflation worries. (In comparison, the gauge's previous nadir in April 2020 following the outbreak of the pandemic was 71.8.)

Top 5 things to watch out for in the week ahead:

1. **U.S retail sales:** The highlight of the week's economic calendar will be October retail sales data, due out on Tuesday, with economists expecting an increase of 1.1%, after a 0.7% rise in September

2. **Retail earnings:** Third quarter earnings season is continuing to wind down, but investors will get an additional update on the strength of consumer spending this week with results from major retailers, including Home Depot (NYSE:HD), Walmart (NYSE:WMT), Target (NYSE:TGT), and Macy's (NYSE:M).

3. **China slowdown:** The recovery in the world's number two economy is weakening and data on Monday, which includes reports on retail sales, fixed asset investment and industrial production is expected to confirm this. The loss of momentum in China, a key driver of global growth, is casting a shadow over the uneven global economic recovery from the pandemic.

4. **UK job data:** The BoE has indicated that it wants more information on the strength of the UK labor market before hiking rates for the first time since the onset of the pandemic, so the latest jobs report on Tuesday will be in sharp focus.

5. **Pandemic resurgence hits Europe:** Europe is seeing a resurgence of the Covid-19 pandemic, adding to headwinds for the region's already fragile economic recovery. Europe accounts for more than half of the average 7-day infections globally and about half of latest deaths, according to data compiled by Reuters, the highest levels since April last year when the virus was at its initial peak in Italy

Index	12/11/2021	5/11/2021	31/12/2020	Week/Week	Year-to-Date
Dow Jones	36,100.31	36,327.95	30,606.48	-0.63%	17.95%
S&P 500	4,682.85	4,697.53	3,756.07	-0.31%	24.67%
NASDAQ 100	16,199.88	16,359.38	12,888.28	-0.97%	25.69%
FTSE 100	7,340.76	7,303.96	6,460.52	0.50%	13.62%
Euro Stoxx 50	4,376.84	4,363.04	3,552.64	0.32%	23.20%

Local Economic Conditions

Local Foreign Exchange Market

- Our local currency appreciated by 0.67% against the U.S. Dollar week on week to settle at $155.27 as at close of trade Friday, relative to $156.32 per US$1.00 at the end of the prior week. Year to date, the Jamaican has depreciated by 8.85%.

Interest Rates and Inflation

- On September 30, 2021, the Bank of Jamaica's Monetary Policy Committee (MPC) unanimously voted to increase its policy rate by 1% to 1.5%. The justification was that the recent inflation out-turn had breached its annual point-to-point target earlier than expected, at 6.1 per cent, reflecting higher food prices, meals consumed from home, and increased prices for services such as education and transport.

- As at September 2021, point-to-point was even higher at 8.2%, 2.2% above the BoJ's inflation target upper bound of 6.0%.

Unit Trust Performance

- Year to Date, The Money Market Fund has increased by 2.97%, the FX Bond Portfolio has increased by 1.18%, the F.X. Growth Portfolio increased by 8.04%, the Real Estate Portfolio has decreased by 8.39% and the Capital Growth Fund has grown by 8.28%.

- Barita's Collective Investment Schemes ("CIS") offer the opportunity for investors to remain invested in the market at this delicate stage of the market cycle; moreover, there is a diversification benefit and opportunity to have a professional portfolio manager make the best-in-class professional judgements on your behalf.

- The F.X. Growth Fund, which is benchmarked against the S&P 500, has increased by 8.04% year to date.

- As at November 15th, 2021, the Capital Growth Fund has delivered a YTD return of 8.28%, which is above the 2.04% YTD growth of its benchmark, the JSE Combined Index.

- The FX Bond Portfolio remains an attractive fixed-income portfolio, particularly when viewed within the context of global interest rates which have declined significantly as central banks maintain low policy rates to drive the economic recovery.

"Successful investing is about managing risk, not avoiding it."

– Benjamin Graham

Currency Pair	12/11/2021	5/11/2021	31/12/2020	Week/Week	Year-to-Date
JMD: USD	155.27	156.32	142.65	0.67%	-8.85%
JMD:CAD	123.72	125.54	111.41	1.45%	-11.05%
JMD:GBP	203.74	210.81	193.66	3.35%	-5.20%

Unit Trust

Unit Trust Fund	5/11/2021	29/10/2021	Week/Week Return	Year-to-Date Return	1 Year Return	Yield
Capital Growth	92.45	92.54	-0.09%	8.94%	15.56%	-
Money Market	15.1979	15.2097	-0.08%	2.86%	2.63%	2.41%
Income Portfolio	100.00	100.00	-	-	-	3.00%
FX Bond Portfolio (US$)	1.3847	1.3845	0.01%	2.10%	5.12%	2.10%
Real Estate Portfolio	5,436.48	5,376.04	1.12%	-6.83%	-0.26%	-
FX Growth Portfolio	1.0818	1.0571	2.34%	8.34%	15.02%	-

Even the intelligent investor is likely to need considerable willpower to keep from following the crowd.

- Benjamin Graham

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Stock Ticket	Stock Information (As at November 12, 2021)	Analyst Outlook
WISYNCO Wisynco Group Ltd	P/E: 19.85x P/B: 3.95x Price: J$ 16.87 Div Yield: 1.13%	**OVERWEIGHT** The local fiscal support to both households and businesses was instrumental in maintaining individuals' consumption capacity, particularly those furloughed and made redundant, which supported the demand for consumer staples distributed by manufacturers and distributors Wisynco. We expect that with continued fiscal support through either direct household support or government spend on projects to stimulate employment, Wisynco's business will thrive in this environment.
LASM Lasco Manufacturing	P/E: 13.81x P/B: 2.35x Price: J$ 4.75 Div Yield: 1.28%	**MARKETWEIGHT** Our expectation is for the Company to continue on its growth trajectory, supported by the improving economic backdrop of the global economy, which may manifest in increased domestic demand for goods and services. With increased stopover arrivals and planned reopening of key industries such as entertainment and education (face-to-face teaching), there are sufficient catalysts to spur further growth in 2021. However, this isn't without challenges as the global supply bottleneck will manifest itself in LASD's margins, requiring management to remain prudent in their working capital management such that higher imported inflationary pressures are not corrosive to the bottom line. Our MARKETWEIGHT recommendation balances our outlook on the company against the potential upside embedded in our estimate of fair value (as per Barita's July 15, 2021 equity report) for the company.
LASD Lasco Distributors	P/E: 12.95x P/B: 1.69x Price: J$ 3.36 Div Yield: 1.52%	**OVERWEIGHT** Our expectation is for the Company to continue on its growth trajectory, supported by the improving economic backdrop of the global economy, which may manifest in increased domestic demand for goods and services. With increased stopover arrivals and planned reopening of key industries such as entertainment and education (face-to-face teaching), there are sufficient catalysts to spur further growth in 2021. However, this isn't without challenges as the global supply bottleneck will manifest itself in LASD's margins, requiring management to remain prudent in their working capital management such that higher imported inflationary pressures are not corrosive to the bottom line.

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SGJ Scotia Group Jamaica Limited	P/E: 9.90x P/B: 0.92x Price: J$34.25 Div Yield: 4.09%	**MARKETWEIGHT** SGJ's growth has slowed, even prior to the pandemic. Consequently, within the context of the pandemic, the Group reported a considerable net profit decline of 31.4% in FY2020. Notwithstanding, the most recent performance demonstrates that coming out of the pandemic, the Group will report relative growth in FY2021, predominantly reflecting lower ECL, FX gains given SGJ's position in the FX market, and gains from the extinguishment of debt. Beyond FY2021, however, we expect a slowdown in growth, as ECL reduction is tempered relative to FY2021 and as the Group no longer benefits from a gain on extinguishment of debt. Importantly, we also consider the Group's strong liquidity, capital adequacy, and consistent dividend payout which is at an attractive yield of 3.58%. Given its strong balance sheet and consistently above-average dividend yield, we believe SGJ is a good dividend income stock.
VMIL Victoria Mutual Investments Limited	P/E: 13.64x P/B: 2.06x Price: $6.27 Div Yield: 2.55%	**MARKETWEIGHT** On balance, we believe the upside seen by VMIL in Q1 2021 potentially represents the most Year-over-Year (YoY) upside the company will realize in FY2021 and should be the main driver of improved YoY profitability for the 2021 financial year. However, we believe the market dynamics will weigh on YoY performance, unless there's a significant improvement in business origination, beyond prior years, on the back of a strengthening economy or increased capital that can then be deployed towards growth initiatives. With that said, our MARKETWEIGHT recommendation balances the risks that remain against the potential upside embedded in our estimate of fair value (as per Barita's July 16, 2021 equity report) for the company.
JMMBGL JMMB Group Limited	P/E: 7.12x P/B: 1.13x Price: $37.43 Div Yield: 0.67%	**OVERWEIGHT** Despite the low interest rate environment, net interest income growth remains possible in FY 2022 if the Group increases growth in deposits which is a lower cost funding than repurchase agreements Moreover, our positive outlook on the Group is underpinned by expected improvements in noninterest income and share of profits from a rebounding Sagicor Financial Company (Given the anticipated growth, we believe the market is pricing JMMBGL at a discount to our estimate of its fair value).

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SEP Seprod Limited	P/E: 16.47x P/B: 2.58x Price: J$63.08 Div Yield: 0.95%	**OVERWEIGHT** Seprod has undergone significant structural changes within the last 5-years aimed at improving the underlying performance of the company. Within this period, particular emphasis has been placed on optimizing the distribution, warehousing and logistics capabilities of the company. This gradual, multi-year, improvement was accomplished through reinvestment within the organization coupled with strategic acquisitions aimed at increasing the distribution reach and quality of the company. Another major change was the closure of the Group's loss-making sugar division; a move that enhanced shareholder value. These changes have positioned Seprod to deliver robust growth through an expansive product mix and access to consumer markets both locally and regionally.
PROVENJMD Proven Investments Limited	P/E: 11.85x P/B: 0.99x Price: $32.52 Div Yield: 2.42%	**OVERWEIGHT** Given the current economic environment, characterized by low interest rates and increased uncertainty, PIL has shifted from the carry trade business to more private equity and real estate ventures, thereby allowing for diversification benefits to be realized - particularly as it relates to the "spreading" of risk. Given the business model of PIL wherein capital is used to acquire strategic assets, this APO is expected and should make the stock accessible to a wider pool of investors. At present, only a small subset of listed companies pursue private equity investments which makes PIL an attractive security for investors who want the liquidity the stock market provides as well as exposure to non-listed companies that can provide value.

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PROVENUS Proven Investments Limited	P/E: 12.05x P/B: 1.00x Price: US$0.23 Div Yield: 3.40%	**OVERWEIGHT** Given the current economic environment, characterized by low interest rates and increased uncertainty, PIL has shifted from the carry trade business to more private equity and real estate ventures, thereby allowing for diversification benefits to be realized - particularly as it relates to the "spreading" of risk. Given the business model of PIL wherein capital is used to acquire strategic assets, this APO is expected and should make the stock accessible to a wider pool of investors. At present, only a small subset of listed companies pursue private equity investments which makes PIL an attractive security for investors who want the liquidity the stock market provides as well as exposure to non-listed companies that can provide value.
SCIJMD Sygnus Credit Investments	P/E: 7.90x P/B: 0.53x Price: J$18.90 Div Yield: 2.75%	**OVERWEIGHT** Sygnus provides funding to Mid-Size firms within the lending market, which is considered to have a higher risk and generally overlooked by providers of traditional financing forms. This provides a largely untapped/under-tapped niche market within the Caribbean lending space for Sygnus, a few direct competitors. The flexibility in the financing terms offered by the Company is a clear advantage to borrowers, and it allows SCI to manage its credit risk to generate double-digit risk-adjusted returns on investments, which, consequently, bolsters shareholder value.
SCIUSD Sygnus Credit Investments	P/E: 12.68x P/B: 0.86x Price: US$0.14 Div Yield: 1.77%	**OVERWEIGHT** Sygnus provides funding to Mid-Size firms within the lending market, which is considered to have a higher risk and generally overlooked by providers of traditional financing forms. This provides a largely untapped/under-tapped niche market within the Caribbean lending space for Sygnus, a few direct competitors. The flexibility in the financing terms offered by the Company is a clear advantage to borrowers, and it allows SCI to manage its credit risk to generate double-digit risk-adjusted returns on investments, which, consequently, bolsters shareholder value.

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CCC Caribbean Cement Company	P/E: 210.85x P/B: 5.79x Price: J$100.48 Div Yield: 0.00%	**OVERWEIGHT** On the heels of what has been a good year for the company, management expects demand to increase further, fueled by upcoming government projects that will require substantial cement deposits. The recent government budget lends to this expectation as one of the main components of the government's SERVE Programme is infrastructure development. With that said, the company is positioning itself to meet this demand while maintaining its more efficient cost structure which was displayed in 2020, chief among these was the reduction of debt, which in turn reduced the company's cost of debt. In the most recent quarter, profitability declined, largely on the back of poor weather conditions and the company's planned machinery maintenance. Notwithstanding the recent quarter, the Company's outlook remains positive.
LAB The Limners and Bards Limited	P/E: 19.71x P/B: 5.91x Price: J$ 3.35 Div Yield: 2.21%	**OVERWEIGHT** The LAB provides a unique opportunity for investors to get exposure to the first and only advertising and film production company listed on the Jamaica Stock Exchange (JSE). The Lab's business model is built on providing innovative solutions to clients through its main services including its brand/communication strategy, campaign concepts & execution, media buying, and film production. Throughout the pandemic, the company has repositioned its business to meet the demand of clients who needed digital solutions. Consequently, while many industries and companies faltered in 2020, The Lab reported strong top and bottom-line growth of 44.30% and 34.13%, respectively. This growth has continued into 2021, reflecting significant double-digit growth in two of the company's three operating segments. Against the backdrop of a strong, stable business model coupled with robust financial performance, we have issued an OVERWEIGHT recommendation for The Limners and Bards Limited.

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CPFV Eppley Caribbean Property Fund SCC	P/AFFO: 22.79x Price: J$38.11 AFFO Yield: 4.39%	**OVERWEIGHT** Since Eppley became the investment manager of the fund, there has been a material improvement both in portfolio's country exposure and type of real estate structures. This has led to a steady increase in the total square feet of the portfolio and increase Net Asset Value (NAV) with diversification. The Fund's pivot towards introducing Jamaican assets, especially in the industrial space will have a positive material impact on the company's long-term performance. This as the Manufacturing and Distribution (M&D) and construction industry have shown material resilience to the impact of COVID-19. As such, the continued focus on improving value to shareholders through divesting away from Barbados and retail properties will act as a positive tailwind for the long-term performance of CPFV.
MAILPAC Mailpac Group Limited	P/E: 24.01x P/B: 15.48x Price: J$ 3.60 Div Yield: 4.16%	**OVERWEIGHT** Having raised just under $500 million in its November 2019 junior market initial public offering (IPO), by March of 2020 the global economy was grappling with the COVID-19 crisis. This posed both a challenge and an opportunity for the Mailpac Group given the sudden and immediate need for e-commerce capabilities in light of social distancing and other non-medical interventions to reduce the spread of the virus. That the company was able to generate $1.7 billion in revenue during 2020 is demonstrative of the management's agility and competence of the company's leadership. They were able to pivot in building both scale and capacity, which are likely to sustain Mailpac's performance prospectively, given the likely scenario that e-commerce is likely to become more ensconced among Jamaica consumers, across various social classes.

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GENAC General Accident Insurance Company Ltd.	P/E: 13.47x P/B: 12.23x Price: J$ 6.60 Div Yield: 3.27%	**OVERWEIGHT** We see several possible tailwinds that may bode well for both the insurance sector as a whole and GENAC specifically. Namely, the increasing domestic interest rates. This should support improved investment income of insurance companies like GENAC who would be able to generate greater returns on their insurance float. This, coupled with greater operational efficiency after consolidating regional companies, should further aid profitability going forward. We also note that GENAC will continue to benefit from its relationship with the Musson Group which will allow them to form strategic relationships with both the group's other entities and customers. This will be particularly useful as the company expands into regional markets as the Musson group is diverse with stakes in public and private business across the Caribbean.

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