Minutes of the Forty-Fifth Annual General Meeting of Barita Investments Limited held on Friday, the 30th day of June, 2023, commencing at 10:00 a.m.

(Virtual Meeting)

Quorum and Call to Order

The Chairman of the Board of Directors of Barita Investments Limited (the "Company" or "Barita"), Mr. Mark Myers, called the Forty-Fifth Annual General Meeting ("AGM" or the "meeting") to order at 10:00 a.m. and confirmed with the Company Secretary, Miss Malindo Wallace, that there was a quorum for the meeting.

Chairman's Welcome and Opening Remarks

The Chairman welcomed all persons present and informed attendees that the AGM was being held virtually facilitated by recent amendments to the Company's Articles of Incorporation and the Companies Act, which allows for the virtual hosting of the meeting. He informed that shareholders would be able to actively participate in the AGM via the Electronic Platform ("E-Platform") and noted that the relevant instructions had been previously provided in the Shareholders' Advisory Notice which had been uploaded to both the Barita and the Jamaica Stock Exchange websites. Registration for access to the AGM would remain open throughout the meeting allowing individuals to join at any time. The Chairman then outlined the electronic voting procedure and advised that shareholders could submit their questions and comments during the fifteen (15)-minute Question and Answer ("Q&A") segment of the meeting which would follow the overview of the Company's Financials and presentation of the Auditor's Report.

Opening Prayer

The Chairman opened the proceedings for the AGM with a prayer which was offered by Mr. Sean Taylor.

Notice of the Meeting

The Chairman proceeded with the business of the meeting. He requested a shareholder to propose a resolution that the Notice to convene the meeting be taken as read, having been previously circulated.

He proposed the following motion for the adoption of the resolution:

"THAT the notice convening the meeting having been previously circulated, be taken as read".

The motion for adoption was moved by Miss Stephanie Sterling and seconded by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes in the E-Platform and advised that the system allowed two (2) minutes in which to do so. After the two minutes elapsed, the Chairman announced that the result of the poll was on screen and the shareholders had voted in favour of the resolution.

Apologies for Absence

The Chairman advised that Director Duncan Stewart had tendered an apology for absence from the meeting.

<u>Proxies</u>

The Chairman declared that three (3) valid proxies were received for the meeting. He noted that the proxy register was not available for viewing as the meeting was being held virtually, however, shareholders could view the register at a later date via the Company's Registrar, the Jamaica Central Securities Depository ("JCSD").

<u>Introduction</u>

The Chairman introduced the members of the head table as follows:
Mr. Stephen Phillibert, the Cornerstone Executive entrusted with responsibility for Group Finance; Mr. Dane Brodber, the Company's Interim Chief Executive Officer; and Miss Malindo Wallace, Chief Legal Officer and Company Secretary.

He then introduced the members of the Board of Directors of the Company, photographs of whom were streamed via video conference:

Mark Myers	-	Chairman (in person)
Paul Simpson	-	Deputy Chairman
Carl Domville	-	Director & Chairman, Audit Committee
Duncan Stewart	-	Director & Chairman, Board Investment Committee
James Godfrey	-	Director
Phillip Lee	-	Director
Robert Drummond	-	Director
Jason Chambers	-	Director
Michael Hylton, Q.C.	-	Director & Chairman, Corporate Governance & Conduct Review Committee

The Directors attended the meeting via the online platform, except Directors Paul Simpson and Jason Chambers who were present at the broadcast location.

The Chairman also acknowledged the presence of the following persons:

Auditors: BDO Jamaica
Mr. Balvin Vanriel, Partner (in person)

Registrar - Jamaica Central Securities Depository
Ms. Tiffany Hall (in person)
Ms. Ashley Warmington (in person)

<u>MANAGEMENT OVERVIEW AND REPORTS</u>

In his opening remarks, the Chairman stated that even as the effects of Covid-19 had begun to abate, the Russia and Ukraine conflict has created issues for the businesses worldwide, including supply chain issues. It has also led to significant volatility in asset prices, in particular, global bonds and has negatively impacted the sector as many securities dealers have experienced significant losses which were absorbed in their equity capital. In addition to the banking instability experienced in a few of the more developed markets, the financial services industry has faced turmoil in recent times. Despite these challenges Barita has fared quite well and remains one of the strongest financial institutions locally due to a number of strategic decisions which had been taken over the past few years, including bolstering Barita's capital, as well as enhancing the Company's corporate governance framework.

The Chairman then invited Mr. Dane Brodber, the Company's Interim Chief Executive Officer, to provide shareholders with an overview of the Company's operations and strategic plans and advised that Mr. Brodber's presentation would be followed by Mr. Stephen Phillibert, who would speak to the Company's financial performance.

Company Overview– Mr. Dane Brodber - Interim Chief Executive Officer

Mr. Brodber, Interim Chief Executive Officer of the Company, provided an overview of Barita's performance for the financial year 2022/2023 via a PowerPoint presentation. He highlighted the corporate structure of the Cornerstone Group under which Barita falls and detailed that Barita's parent company, Cornerstone Financial Holdings Limited, owns 75% of Barita. Barita Unit Trust Management Company Limited ("BUTM") is a 100% owned subsidiary of Barita, with Derrimon Trading Company Limited being an associate company of Barita due to its 20% shareholding. Barita serves as the Investment Manager for pension funds and the special purpose vehicles, Barita Finance Limited and MJR Real Estate Holdings Limited ("MJR"), while BUTM is the Investment Manager for Barita's Unit Trust Funds. He noted that MJR now falls under the Unit Trust Funds which reflects the purchase of MJR by the Barita Real Estate Portfolio.

Mr. Brodber announced that Cornerstone had received a non-objection from the Bank of Jamaica ("BOJ") for Financial Holding Company ("FHC") status to reorganize as a financial group. This is a regulatory requirement by the BOJ under the Banking Services Act ("BSA") given the structure of the Cornerstone Group, which includes a deposit taking institution, that is, Barita's sister company, Cornerstone Trust & Merchant Bank Limited ("CTMB"). He explained that under the new structure Barita/BUTM and CTMB will be under a single financial holding company as opposed to two separate parent companies as it was before. Mr. Brodber stated that this development would add significant value for Barita and allow for the optimization of several aspects of the business. He then went on introduce the members of Barita's management team as well as the team members of Cornerstone who continued to provide strategic direction and oversight to the organization.

Mr. Brodber informed shareholders of the key achievements of the Company which celebrated a milestone of forty-five (45) years of existence and also marked Jamaica's 60th year of existence and so Barita's growth is intricately woven through the growth and progress of the nation. Barita's 45th Anniversary was marked with special activities which included a Bell Ringing Ceremony at the Jamaica Stock Exchange, a Customer Appreciation Day at all retail locations, among others. Mr. Brodber stated that Barita's clients has always been the Company's top priority and over the financial year Barita continued to implement measures to make Barita's services more accessible, convenient and customer-focussed which included, among others, significant changes to the Online Platform where customers can now initiate transactions, update their Know Your Customer ("KYC") information and leave feedback; the completion of the first phase of Barita's Core System upgrade with the roll out of a Cambio module; the successful launch and relaunch of the new product offerings, namely, the Real Estate Unit Trust Fund, the FX Income Accumulator Unit Trust Fund and the Revamped Barita Roadmap-Barita G.P.S. Barita also executed solutions for its Corporate Clients with the full rollout of a Premium Wealth Unit with the Investment Banking unit achieving revenue of over $1.7 billion. Mr. Brodber said that Barita continued to break barriers through digital engagement with its customers with positive results. Educational video content sparked customers' curiosity with almost 22M views across the various platforms, converting online spectators into learners. Barita's AI chatbot "Bari" elevated customer service, growing interactions by 120% from the previous year to over 35,000 conversations. The focus on a digitally powered lead generation strategy led to 3,275 booked online meetings with advisors. Mr. Brodber also spoke on initiatives for Barita's Brain Trust with the expansion of the Project Management and Information Technology teams in keeping with the Company's digital strategy. The Sales team was boosted with the onboarding of executives with deep experience in the retail and wealth management space. In terms of team building, Barita launched the Cornerstone Leadership Programme ("Cornerstone Leads") in collaboration with the Mona School of Business with an enrolment of six (6) key managers in the first cohort and also built the Cornerstone University, a team training platform with access to a wide collection of educational material.

Mr. Brodber highlighted that Barita recently executed an additional public offer (“APO”) which now allowed for the expansion of the investment banking and underwriting capacity to the Company’s principal investments, particularly in alternative investments in real estate, private equity and private credit. The APO, along with other capital raises has fortified Barita’s capital as follows: As at September 2022, Barita’s Capital Adequacy Ratio (“CAR”) remained robust at 33.3% compared to the industry of 19.97% and a minimum of 10%; Barita has maintained a healthy stock of high-quality liquid securities in excess of $35 billion and core liability funding continued to improve with 30.8% growth year-over-year despite the challenging environment. This has given Barita a significant capacity for growth, the ability to withstand shocks and importantly, has provided a stable funding base for Barita’s investment strategy.

Mr. Brodber mentioned that the Barita Foundation, led by its Chairman Gavin Jordan and Executive Director Tanketa Chance Wilson, continued to make a positive impact in communities, focussing on its three pillars; Entrepreneurship, Health and Wellbeing, Education and Youth Development.

Mr. Brodber spoke about the local and international economic landscape and noted that the operating environment and by extension financial markets are still heavily influenced by the far reaching and varied effects of the pandemic. Accordingly, the Barita intends to maintain the current overweight position in liquid assets and excess capital amidst signs of slowing economic growth. He stated that for the next financial year 2023/2024 the investment strategy would be centered on specific lanes of alternative investments, namely; real estate, private credit, private equity and infrastructure. Mr. Brodber said that the reasons for the focus on alternative investments were: (i) it serves as an inflation hedge inherent in subcategories such as infrastructure and real estate; (ii) diversification benefits due to the lower correlation of returns with traditional asset classes; (iii) generally superior risk adjusted returns over the long run; (iv) greater stability in value as these investments are typically insulated from market risk; and (v) highly flexible structures, ideal for funding impactful projects that sustain long term development. In terms of Real Estate, MJR managed by Barita, has acquired over 2,000 acres of attractive real estate, which the company will be developing in the coming financial years. Mr. Brodber stated that some of the developments to be pursued include hotel residential, multi-family residential, commercial, warehousing and other light industrial solutions. He highlighted that Barita generated $2.7 billion (30.6% of net operating revenue) in income across the real estate investment strategies in FY 2022 and BUTM’s Real Estate Fund acquired MJR Real Estate Holdings Limited, enabling clients to access the prime collection of real estate that had been accumulated. In terms of private credit, at the end of FY2022, private credit investments comprised 4% of total assets or approximately $4.4 billion. Mr. Brodber advised that as the Company continues to build its position in this category, exit strategies would be characterized by flexibility and the timely realization from investments by selecting the most optimal exit options. In parallel, the Company has been working to launch the Private Credit Fund to also give investors access to this strategy.

Mr. Brodber went on to outline the key strategic imperatives for financial year 2023/2024 and the vision for the Company in terms of digital technology, optimizing Barita’s operational efficiency and optimizing customer experience. He then invited Mr. Stephen Phillibert-Chief Financial Officer, Cornerstone Group, to provide a summary of the Company’s financial results.

Financial Performance – Mr. Stephen Phillibert – Group Chief Financial Officer

Mr. Stephen Phillibert presented highlights of Barita’s strong performance for the financial year ended September 30, 2022 via a PowerPoint presentation which indicated, among other things, that the Company’s Net Operating Income had increased Year-over-Year (YoY) by 10% from $8.1 billion to $9.0 billion; Net Profit After Tax increased YoY by 4% to $4.2 billion versus $4.1 billion for the prior year; Total Investments rose by 33% YoY to $85.9 billion from $64.4 billion in FY 2021; Total Assets increased by 22% to J$109.7 Billion versus $90.2 billion in FY 2021 and Total Equity decreased by 11% to J$32.2 billion versus $36.2 billion in FY 2021. Mr. Phillibert also provided the shareholders with information pertaining to the financial performance of the Company for the six-month period ended March 31, 2023.

A copy of the presentations by Messrs. Brodber and Phillibert are attached at **Appendix 2** for further details.

The Chairman thanked both gentlemen for their presentations.

Report of the Auditors

The Chairman invited Mr. Balvin Vanriel, Partner of BDO Jamaica ("BDO"), the Company's external auditors, to read the Independent Auditor's Report. Mr. Vanriel read the Auditors' Report as detailed on pages 138-247 of the 2022 Annual Report and the Chairman thanked Mr. Vanriel for his report.

Shareholders' Questions and Answers

At this point the Chairman opened the floor for questions from the shareholders on matters pertaining to the Company. The Company Secretary advised shareholders that the floor was open for a 15-minute Q&A session and she outlined the procedures for same. She also advised that every effort would be made to answer the shareholders' questions which would not have been answered during the time allotted within ten (10) working days of the AGM, provided that an email address is available. Please refer to **Appendix 1** attached for questions raised by shareholders and the Management's responses.

Miss Wallace advised the shareholders that the Q&A session had come to an end and for persons whose questions were not answered, responses would be provided at a later date.

Business of the Meeting

The Chairman then proceeded with the ordinary business of the AGM in accordance with the Notice of the AGM previously circulated to shareholders in the Barita 2022 Annual Report. The Chairman tabled the following resolutions which were placed before the meeting and asked that a shareholder propose the following resolution to receive and consider the Directors' Report and Audited Financial Statements after the resolution was read by the Company Secretary.

Resolution No. 1 – Approval of the Audited Accounts

The Company Secretary read the resolution to receive and consider the Directors' Report and Financial Statements for the year ended September 30, 2022, and the Report of the Auditors thereon, as follows:

> "**THAT the Audited Accounts together with the Reports of the Directors and the Auditors circulated with the Notice convening the Meeting be and are hereby adopted."**

The Chairman asked a shareholder to propose the motion and for another to second the motion for the adoption of the resolution as read by the Company Secretary. The motion for adoption was moved by Mr. Ramon Small-Ferguson and seconded by Miss Stephanie Sterling.

The Chairman then asked the shareholders to register their votes in the E-Platform and advised that the system allowed two (2) minutes in which to do so. After the two minutes elapsed, the Chairman announced that the result of the poll was on screen and the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, the Chairman declared the resolution carried.

Resolution No. 2 – Final Dividend

The Chairman asked that a shareholder propose the following resolution to approve and ratify the Interim Dividend Payments and declare them final after the resolution was read by the Company Secretary.

The Company Secretary read the resolution to approve and ratify the Interim Dividend Payments to ordinary shareholders and declare them final, as follows:

> **"THAT the interim dividend of J$3.029 per stock paid on October 7, 2021 and J$0.546 paid on June 30, 2022 be treated, on the recommendation of the Directors, as the final dividends for the financial year ended September 30, 2022".**

The Chairman asked a shareholder to propose the motion for the adoption of the resolution as read by the Company Secretary. The motion for adoption was moved by Miss Stephanie Sterling and seconded by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes electronically and after the two minutes elapsed, the result of the poll was displayed and the Chairman announced that the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, the Chairman declared the resolution carried.

<u>Resolution No. 3 – Election of Directors</u>

The Chairman stated that according to Article 93 of the Company's Articles of Incorporation one-third of the Board should retire from office at each Annual General Meeting. He informed that Article 93 of the Articles of Incorporation provides that one-third of the Board retire from office at each Annual General Meeting. The Directors retiring under this Article were Messrs. Carl Domville, Paul Simpson and Robert Drummond, who being eligible, offered themselves for re-election.

The Chairman and asked that a shareholder to propose the following resolutions to retire and appoint Directors under Article 93 of the Articles of Incorporation after the resolution was read by the Company Secretary.

The Company Secretary read the resolution for the re-election of Director Carl Domville:

<u>Resolution No.3(a)</u>

> **"THAT Director Carl Domville who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".**

The Chairman asked a shareholder to propose the motion for the adoption of the resolution. The motion for adoption of the resolution was moved by Miss Stephanie Sterling and seconded by Cornerstone Financial Holdings Limited represented by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes on the e-platform and after the two minutes elapsed, the result of the poll was displayed and announced that the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, he declared the resolution carried.

The Company Secretary read the resolution for the re-election of Director Paul Simpson:

<u>Resolution No. 3(b)</u>

> **"THAT Director Paul Simpson who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".**

The Chairman asked shareholders to propose the motion for the adoption of the resolution as read by the Company Secretary. The motion for adoption of the resolution was moved by Miss Stephanie Sterling and seconded by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes electronically and after the two minutes had elapsed, the result of the poll was displayed and the Chairman announced that the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, the Chairman declared the resolution carried.

The Company Secretary read the resolution for the re-election of Director Robert Drummond:

Resolution No.3(c)

> **"THAT Director Robert Drummond who retires by rotation and being eligible for re-election be and is hereby re-elected a Director of the Company".**

The Chairman asked shareholders to propose the motion for the adoption of the resolution as read by the Company Secretary. The motion for adoption of the resolution was moved by Miss Stephanie Sterling and seconded by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes electronically and after the two minutes had elapsed, the result of the poll was displayed and the Chairman announced that the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, the Chairman declared the resolution carried.

Resolution No. 4 – Appointment of Auditors

The Chairman asked that a shareholder propose the following resolution to appoint the auditors and authorize the Directors to fix their remuneration after the resolution was read by the Company Secretary

The Company Secretary read the resolution to appoint the auditors and authorize the Directors to fix the remuneration of the auditors, as follows:

> **"THAT BDO, having agreed to continue to serve as auditors, be and is hereby appointed Auditors of Barita Investments Limited, to hold office until the next Annual General Meeting, at a remuneration to be fixed by the Directors of the Company."**

The Chairman asked a shareholder to propose the motion for the adoption of the resolution as read by the Company Secretary. The motion for adoption was moved by Miss Stephanie Sterling and seconded by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes in the E-Platform and after the two minutes had elapsed, the Chairman announced that the result of the poll was on screen and the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, the Chairman declared the resolution carried.

Resolution No. 5 – Directors' Remuneration

The Chairman asked a shareholder to propose the following resolution to approve and ratify the remuneration for the Directors for the year ended September 30, 2022 after it had been read by the Company Secretary.

> **"THAT the amount included in the Audited Accounts of the Company for the year ended September 30, 2022 as remuneration for their services as Directors be and is hereby approved."**

The Chairman asked a shareholder to propose the motion for the adoption of the resolution as read by the Company Secretary. The motion for adoption was moved by Miss Stephanie Sterling and seconded by Mr. Ramon Small-Ferguson.

The Chairman then asked the shareholders to register their votes in the E-Platform and after the two minutes had elapsed, the Chairman announced that the result of the poll was on screen and the shareholders had voted in favour of the resolution. There being no opposition in relation to the motion, the Chairman declared the resolution carried.

ANY OTHER BUSINESS

There was no further business for discussion.

CONCLUSION

In closing the Chairman remarked that as indicated from the various presentations and discussions, Barita continued to ably navigate the challenges and be very discerning in managing the various risks, resources and affairs of the Company in general with the objective of optimizing the profitability of Company for the benefit of its shareholders. He reiterated that there may have been questions submitted by shareholders that were not addressed within the allotted time and assured those shareholders who asked unanswered questions and provided their email addresses, that every effort would be made to provide them with direct responses within ten (10) working days. He thanked the shareholders for their attendance and their continued trust and confidence in Barita, the Directors and Management team.

The meeting concluded at 11.58 a.m.

MARK MYERS
Chairman

45th Annual General Meeting of Barita Investments Limited – June 30, 2023

Appendix 1 - Shareholders' Questions and Answers

	NAME OF SHAREHOLDER	SHAREHOLDERS' QUESTIONS	MANAGEMENT'S RESPONSE
1.	**David Rose**	**There was a near 65% cut in net interest income for the 6 month period up to March 2023. Barita doesn't publish interest income and interest expense. So, with the company increasing repo rates and borrowing at higher rates such as your recent $9 billion private placement, what is your expected net interest margin/spread going into the remainder of the year and are you looking to contain loan growth on your books?**	***Stephen Phillibert – Chief Financial Officer (Cornerstone Group):*** *I believe there was a similar question last year about us not giving out information on interest income and expense, but the response I had given holds still that the information is there. If you will look at the cashflow statement you will see the gross interest income and gross interest expense and if you subtract one from the other you will get the net figure that appears on the Profit and Loss--it is still true. With respect to expected margin, we do not comment on expected margins which is subject to market conditions, so we would not be able to say.* ***Ramon Smal-Ferguson – Deputy Chief Executive Officer (Barita Investments Ltd.) & Managing Director (Barita Unit Trusts Management Co. Ltd).:*** *The question regarding Net Interest Income is a very interesting one, particularly given market conditions. What we have seen in the recent past is an increase in interest rates both in Jamaica and in certain sections of developed markets, particularly the United States and this has been driven by monetary policy actions. So, how this has impacted Barita is that by virtue of our on balance sheet fixed income business we have seen a situation where our liabilities have been repricing faster than our assets which has led to a compression in our net interest margins and, therefore, a decline in the relative return that we get from that segment of our business. That being said, since 2018/2019 in particular, certainly since the post-acquisition period began, we have been actively seeking to diversify our revenue base because we saw the susceptibility of the business to a change in the interest rate environment. In the 2018 financial year, for example, net interest income represented about a one third of the Company's revenue, while in the 2022 financial year, that had fallen to about 18+% and that is reflective again of the diversification of the overall revenue stack of the business. We expect to continue benefitting from those diversification effects going forward but if the interest rate environment shifts into our favour, we expect a resurgence of revenue from that line in future periods.*
2.	**David Rose**	**Why was the interest receivable line item for the audited section of the March 2023 report blank?**	***Stephen Phillibert:*** *This is actually somewhat the other way around. Our typical presentation is to include the interest receivable in the loan receivable line. So, the items that reflect the interest receivable really ought not to have been there, they ought to have been rolled into the loan receivable line. That said, with the presentation as it was in that release, the figure that would have appeared is $129,670,000 and that information is available in our Audited Financial Statements for the year ended 2022 - Note 19.*
3.	**Sara Campbell**	**The Barita Unit Trust Real Estate Portfolio has grown by 2,157 per cent over a one-year period ending June 26th, 2023, in an overall challenging market. Barita has stated that this rise was due to its unit trust investing in MJR Real Estate Holdings Limited. Given that MJR's property holdings are slated to begin development in 2024, and returns from sales are expected in two to three years, how representative of future returns are the current significant gains which have been presently attributed to revaluation gains?**	***Ramon Small-Ferguson:*** *Good question. Based on what we have disclosed publicly, the strategy of MJR is expected to go through three phases. The first is the property acquisition phase in which the company has been acquiring different pieces of property with a view to adding value to them. This leads naturally to the second phase, i.e., the value add phase, or the development or repurposing phase of the strategy's life cycle and finally, there will be an exit phase where the finished product will be sold or otherwise divested. So, where MJR is in that life cycle is that it has largely completed the acquisition phase and the returns thus far have really been reflective of very astute property acquisitions that would have been done below fair market. We are anticipating (as the question implies) that it is very unlikely that we will see this kind of return profile replicating in future periods. Instead, what is likely is that the return profile will shift to that of a more development driven strategy where you will start to see returns from a value add phase where properties are repurposed or properties are developed fully. That return profile is different but still pretty good on a risk adjusted basis if you look at benchmarks, but different from what would have been experienced in the past. Finally, it is expected that those returns will be crystallized through exits. So, not expected to be reflective at all of exactly what you will see in future periods.*

4.	**Gilda Fay Daley**	**Is it Barita that is sending the monthly Statements via email or Cornerstone and why are statements being sent out late? Formerly they were sent by the 1st or the 2nd of the month.**	***Dane Brodber – Interim Chief Executive Officer (Barita Investments Ltd.):*** *Thank you for the question. To be clear, it is Barita that sends out the monthly statements. We have recently been upgrading our operations to improve the timeliness of the distribution of our statements and that had become an issue as our customer base has grown. In parallel what we are also doing is working to enhance the security around the distribution of statements to ensure that our customers' data is protected. As we roll that out, unfortunately, we have had some delays and in some cases, longer than expected and we apologize for that. In the meantime, our advisors will be able to provide the statements on request but we encourage you to independently check your balances using Barita Online and also make use of the revamped features of that channel.*
5.	**David Rose**	**With respect to the gains on investments listed for the 6 months, $3.5 billion was related to the Barita Real Estate Fund under alternative investments. For clarity, can you explain how this gain is recorded to this off-balance sheet asset and what happened last year with the Barita Real Estate Fund getting exposure to MJR and having a split?**	***Stephen Phillibert:*** *The gain reflects through Barita's holding of units in the Real Estate Fund which are marked to the value at any given point in time and because of increases in the underlying value of the real estate portfolio the net asset value of the units has increased and that has been reflected in the gain that sits on Barita's Profit & Loss Statement. Ramon will respond to the second part of the question, i.e., "For clarity, can you explain how this gain is recorded to this off-balance sheet asset and what happened last year with the Barita Real Estate Fund getting exposure to MJR and having a split?"* ***Ramon Small-Ferguson****: Dane went through it pretty well in his presentation and a lot of the details are contained in the Annual Report. Essentially what would have happened is that the Barita Real Estate portfolio (the unit trust fund) would have acquired the shares of MJR and that transaction would have been completed in June of last year. What has happened since then is that unit holders of that fund would have been able to benefit or gain exposure (which so happened to be a benefit thus far) to the fortunes of MJR by virtue of the fact that the Real Estate Fund now owns MJR. The Real Estate Fund is the sole shareholder of MJR. So that is what would have happened and as Stephen said, the gains would have flowed through the financial statements based on the accounting principles that he outlined.*
6.	**David Rose**	**When does Barita expect to get a court date for the proposed Cornerstone reorganization pending the changes at the Cornerstone financial and Jamaica level? Also, will Barita Finance Limited continue to operate at similar scale under the consolidated group structure?**	***Malindo Wallace – Chief Legal & Compliance Officer (Cornerstone Group)****: I will take the first part of that question. The reorganization process will involve a number of steps including the filing of applications for an interim Court order. In the first instance, for the purpose of holding a shareholders' meeting at which our shareholders will be asked to vote on the Scheme of Reorganization. Once the shareholders have voted on the Scheme, we will need to return to court to seek a final Court order approving the Scheme. Given the number of steps involved in the overall process, some of which are outside our control, we cannot say definitively when we will be able to secure a Court date(s) but can say that all effort is being made to finalize the reorganization as soon as reasonably possible and we will keep our stakeholders updated with respect to this matter. Just a reminder as to the second part of the question "Will Barita Finance Limited continue to operate a similar scale under the consolidated group structure?". This question will be addressed by Ramon.* ***Ramon Small-Ferguson****: To clarify, Barita Finance Limited would not be under the consolidated group structure. It will continue to remain as an off balance sheet as it is. We would have made disclosures that the intentions are for prudential purposes for us to show the effect of those special purpose vehicles on our overall financial position in an ongoing way. But just to be clear, the ownership of those entities will not change under the consolidated structure and they will remain off balance sheet. That being said, with respect to scale, it is intended for that vehicle to operate opportunistically. It is a structured notes issuance vehicle so we do have general business targets around size and scale, but it is contingent on market and market demand. But suffice it to say, as opportunities present themselves, we will scale up or scale down that particular strategy as the market dictates and as the business needs.*

7.	**Monique French**	**Has the steep increase in interest rates substantially materially reduced the business feasibility of the real estate investments/projects (including cost of constructing end demand)?**	***Damien Brown – Chief Investment Strategist and CEO – Real Estate and Alternative Investments (Cornerstone Group):*** *The plan for the Real Estate developments are reflective of market conditions, including interest rates, international activity and more importantly, our estimates of offtake. We have spent the last few months reviewing the likely schedule and considerations for the real estate developments and our plans will adjust accordingly. Just to remind the stakeholders that real estate is a long-term perspective and therefore our considerations take into account that longer term perspective and value added. There are implications but we continue to see significant value in the real estate portfolio and we will adjust our strategy to unlock that value accordingly.*
8.	**Monique French**	**Will shareholders get timely and fulsome pre information on the entire proforma of what will be under Cornerstone and what will be on balance sheet and off balance sheet and why ahead of any shareholder meeting?**	***Malindo Wallace:*** *I believe this question is in relation to the scheme of reorganization. As a part of the process, in order for shareholders to have full information on which to make a decision at the shareholders' meeting, they will be provided with a Scheme Booklet. That Scheme Booklet will conform with the requirements of the Companies Act which lays out certain things that are to be included in that document. So full information will in fact be provided to shareholders in order for them to make a decision.*

Appendix 2 – PowerPoint Presentation to Shareholders at the 45th Annual General Meeting of Barita Investments Limited – June 30, 2023

Please click the link below for the PowerPoint presentation to shareholders at the 45th Annual General Meeting of Barita Investments Limited held June 30, 2023. Presenters: Mr. Dane Brodber, Interim Chief Executive Officer, Barita Investments Limited and Mr. Stephen Phillibert, Chief Financial Officer, Cornerstone Group.

View Barita AGM Presentation 2024