



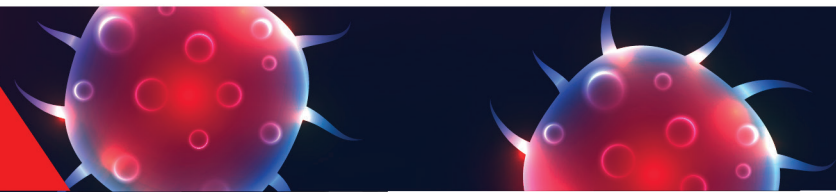
COVID-19 PORTFOLIO IMPACT

Are there investment opportunities available at this time?

Since our last communication, we have seen Governments across the world implement tighter border restrictions as well as curtail movements within their own borders to further mitigate the spread of the novel Coronavirus (COVID-19). These actions are deemed necessary to curtail social and economic fallout. As we try to navigate in this new dispensation amid the necessary adjustments to the country's operation, some of the questions on persons' minds are, what are the governments locally and across the world doing to curtail the financial fallout from the virus and how will these impact my investment portfolio?

What are the Governments/ Central Banks doing?

1. The Government of Jamaica is providing a \$25 billion stimulus, the largest fiscal stimulus in Jamaica's history. This is expected to support economic activities while uncertainty persists.
2. The Government is implementing and considering further fiscal action to cushion the economic impact of Covid-19. Such as :-
 - a. Waiving Customs Duty on the importation of masks, gloves, hand sanitizers and liquid hand soap for a 90 day period.
 - b. Special soft loan fund to assist individuals and businesses that have been hard hit
 - c. Supporting the poor and vulnerable with special Covid-19 related grants.
 - d. Supporting Employees with Transfer of Cash (SET Cash) – which will provide temporary cash transfer to individuals where it can be verified that they lost their employment since March 10, (the date of the first Covid case in Jamaica) due to the Covid virus and this will be available for a specific period
3. The US Federal Reserve has also been very aggressive in its actions to combat the virus and has announced its intent to inject up to US\$2 trillion into the financial system in an effort to calm the market.
4. The US government has also been active in its relief efforts for its citizens impacted by providing reprieve to student loan borrowers and plans to provide direct payments to Americans, tax cuts or relief to affected industries.
5. Amidst the crisis and expected increase in overall unemployment levels we are still seeing some signs of economic support not just from the Government but from some corporate entities. Walmart Inc., Amazon.com Inc. and CVS Health Corp. are among about a dozen large companies looking to hire nearly 500,000 Americans in coming weeks, a spree that would mark a major shift of the U.S. workforce from smaller businesses and others that have cut staff to survive the coronavirus. This action in and of



itself may not be enough to keep the economy completely insulated from the impact of the virus but it demonstrates that there are deliberate actions around keeping the US economy afloat which will provide opportunities for residents.

6. European countries have basically taken the same approach by implementing policies with the aim of both stimulating the economy and providing relief, both medical and financial, to residents affected by the virus.

The specifics of their actions might vary but it is obvious that leaders from across the world have been active in implementing measures to combat the spread of the virus while trying to minimize the economic impact with the expectation of a speedy return to normalcy.

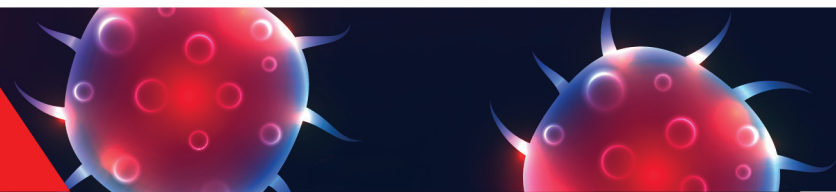
What does this all mean for your portfolios and what actions should you be taking?

As an investor the key is to remain calm, reacting on short term impulse can severely impact the long

term performance of your portfolios. While we are observing increased volatility in the financial markets it is important to not deviate from your long term investment objectives. In fact, falling prices provide opportunities to purchase securities at reduced prices. JMMB continues to emphasize a balanced portfolio approach to investing, especially at a time like this. It has been proven that a disciplined approach towards investing, outperforms one that is based on market timing. Our managed portfolios take this disciplined approach and are designed to weather the storm created by increased market volatility such as this one.

Remember...

Investing with a short-term horizon, with the aim of "timing the financial market" (speculating), is a very high risk venture that can lead to significant losses. It is notable that news of COVID-19 in our region, struck during the JSE's earning season (time when companies publish their financial reports), coinciding with the publication of positive financial results for several companies, which have since



seen their stock prices depreciate significantly. A declining market may present an opportunity to acquire fundamentally solid stocks at reduced price. This however should be done within the context of your overall portfolio objective

What can I look forward to, next?

While it is difficult to predict the full impact that COVID-19 will have on the market, we continue to advise our clients to remain focused on their financial plan and goals. Therefore, we must advise you to continue to hold a balanced portfolio; this is a basic tenet of sound portfolio management and is crucial in times like these, to get the outcome that investors are seeking.

Recall that we have seen market downturns in the past, and we likely will see them again in the future. The key is to stick to the long-term objectives of the portfolio, and always remember why the investment was made initially.

