Your Best Interest At Heart. Full Stop.

SYGNUS Credit Investments (SCI) Ltd.

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Executive Summary

SCI is the largest publicly listed specialty private credit investment (PCI) company in the Caribbean, with assets in excess of US$100M. SCI's mandate is to provide alternative financing to middle-market businesses across the Caribbean. The portfolio companies typically generate between US$5M to US$25M in revenues and to date, SCI has deployed approximately US$220M in gross investment commitments.

Going forward, we believe SCI's earnings will be bolstered by the continued positive contribution of the Puerto Rico Credit Fund investment as well as the non-recurrence of the US$3.5M charge-off posted in the 2022FY. Based on our forecasts, we are projecting total income of US$11.52m and net profits of US$7.08M for the 2023FY, which corresponds to an EPS of $0.012, an 85.2% increase year-over-year. Our valuation methodologies have yielded fair value estimates of US$0.1359 per share and J$16.51 per share for the SCIUSD and SCIJMD shares. As such, we recommend the US- and JMD-denominated SCI shares as **OUTPERFORM/OVERWEIGHT/BUY** as the both trade at double-digit discounts to our estimates of their fair value.

Company[1]	Sygnus Credit Investments	
Tickers	SCIUSD	SCIJMD
Close Price	US$0.0998	J$12.57
P/E Ratio	14.68x	12.09x
P/B Ratio	0.87x	0.72x
Valuation	$0.14	$16.51
Potential Upside	36.2%	31.3%
Recommendation	BUY/OVERWEIGHT	BUY/OVERWEIGHT

Company Overview

SCI is the largest publicly listed specialty private credit investment (PCI) company in the Caribbean, with assets in excess of US$100M. SCI's mandate is to provide alternative financing to middle-market businesses across the Caribbean. The portfolio companies typically generate

[1] As at November 18, 2022

between US$5M to US$25M in revenues and to date, SCI has deployed approximately US$220M in gross investment commitments.

SCI presents an alternative channel to financing than traditional lending, as it specializes in non-traditional forms of credit that are more customizable and flexible. SCI aims to generate risk-adjusted returns with an emphasis on principal protection, by generating current income, and to a lesser extent, capital appreciation. The Company invests primarily in instruments such as bilateral notes and bonds, preference shares, asset-backed debt, mezzanine debt, convertible debt and other forms of structured private credit instruments.

In its five years of operation, SCI has raised US$61M in equity capital through a private sale of shares in 2017, an initial public offering (IPO) in 2018 and an additional public offering (APO) in 2020. SCI has been assessed at investment grade of “jmBBB+” with a stable outlook on the Jamaican national scale and “cariBBB-“ with a stable outlook on the regional rating scale by Caribbean rating agency CariCRIS.

On February 28, 2022, SCI acquired 93.7% of Acrecent Financial Corporation, a private credit firm in the US territory of Puerto Rico with assets under administration of US$151M, of which total assets were US$81M. AFC is not consolidated into SCI.

Board of Directors

Name	Bio
Linval Freeman, FCA, FCCA – Independent Chairman	Linval is a Fellow of the Institute of Chartered Accountants of Jamaica (FCA) and Fellow of the Association of Chartered Certified Accountants (FCCA) and a Justice of the Peace for Kingston and St. Andrew. Linval served as Director and Assurance Partner at Ernst & Young Caribbean (EY), Jamaica Office, between 2003 and 2018. During his tenure, Linval was instrumental in the establishment of the Advisory Service Line and the growth and development of the Assurance Service Line. He retired from the partnership on 31 July 2018. Prior to joining EY, he was a Director of PwC. Linval was appointed to the Board on December 19, 2019, and is also a member of the Board’s Audit and Governance Committee. Linval is also the current Director and Chairman of the Audit and Governance Committee for Sygnus Real Estate Finance Limited. He is also a Director at Canopy Insurance Limited and a member of Council and Chairman of the Audit Committee of the University of Technology.

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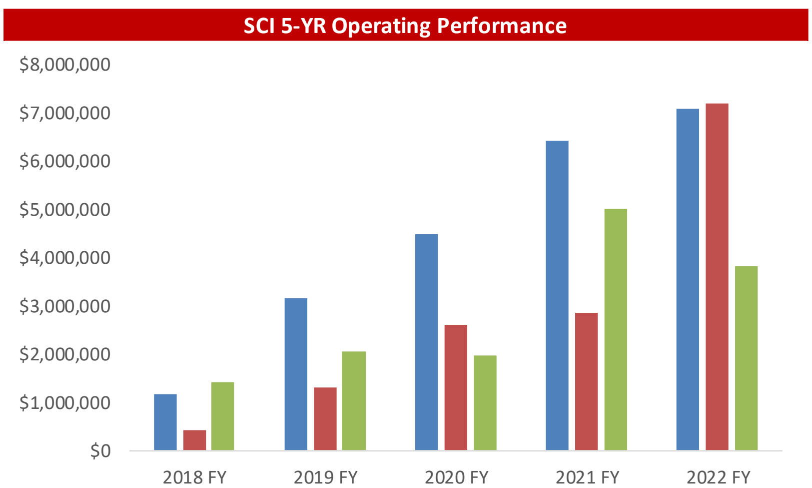
Ian Williams, MBA, BSc – Independent Non-Executive Director	Ian Williams is currently the President and CEO of ZNW Management and Consultancy Limited. Ian works with companies that do not have a presence across the Caribbean market to help establish new relationships and sales in the region. Previously, Ian worked with CIBC FirstCaribbean International Bank (FCIB) for 15 years, primarily within Treasury. Prior to leaving the FCIB, Ian was the Director and Head of Foreign Exchange Sales. Ian was appointed to the Board on July 1, 2017,
Damian Chin, MSc, BA, BSc – Independent Non-Executive Director	Damian is Director of Treasury/Finance at Sandals Resorts International Limited. He is also a Director of the ATL Group Pension Fund Trustees Nominee Limited. Damian was appointed to the Board on November 9, 2017, and is the Chairman of the Board's Enterprise Risk Committee.
Horace Messado, FCA, MBA – Independent Non-Executive Director	Horace is Chairman of Sygnus Real Estate Finance Limited and is a financial and regulatory consultant practising in the Jamaican and US markets. Some previous roles that Horace held include former Director of Corporate Finance and former Financial Controller at the Jamaica Public Service Company Limited; former Group Controller at MaruEnergy Caribbean Limited; former Audit Senior at Ernst & Young and former Senior Accountant at KPMG. He also acted in the roles of Trustee and Chairman of the Investment Committee of one of the largest pension funds in Jamaica. Horace was appointed to the Board on March 25, 2022. He is also the Chairman of the Audit and Governance Committee.
Hope Fisher, BSc – Independent Non-Executive Director	Hope Fisher is a Civil Servant with the Ministry of Labour & Social Security where she is currently the Director of the Bond Portfolio at the National Insurance Fund ("NIF"). She has responsibility for monitoring of the fixed income portfolio and developing the strategy to capitalise on investment opportunities. Hope was appointed to the Board on February 16, 2018, and is a member of the Board's Enterprise Risk Committee.
Peter Thompson, CFA, MSc – Independent Non-Executive Director	Peter is Group Client Investment Manager at JMMB Group Ltd. where he is responsible for the build-out of the process and structures for the management and service delivery for client portfolios across the JMMB Group. Previously he was Senior Investment Manager for Client Portfolios, Manager for Group Product Portfolio and Business Development Manager at JMMB Ltd. Peter was appointed to the Board on November 9, 2017, and is a member of the Board's Enterprise Risk Committee.
Ike Johnson, PhD, CFA – Non-Executive Director	Ike is Executive Vice President and Chief Operating Officer, Sygnus Group and Managing Director, Sygnus Puerto Rico Group. Ike's career started at Jamaica Money Market Brokers (JMMB), where he served as Market Risk Analyst, providing key quantitative analytical tools and introducing important risk monitoring and reporting mechanisms. He left JMMB for three years to pursue his doctoral studies in the UK, and then re-joined the company as their Senior Strategy Management Officer. Ike also served as Assistant Vice President of Business Analytics and Product Development

for Scotia Investments Jamaica, a subsidiary of the Scotiabank Group. Ike was appointed to the Board on January 13, 2017.

SCI Financial Performance (USD) – Year ended June 30, 2022

Profitability

SCI reported total income of $11.1M for the year ended June 31, 2022, a 40.3% or $3.2M increase year-over-year. Driving this increase was "fair value gains from financial instruments at fair value through profit and loss" which amounted to $4.1M, a 187.3% or $2.7M increase. Net interest income was up 10.6% to $7.1M as interest income rose 24.3% or $2.0M to $10.2M while interest expense rose 73.2% or $1.3M to $3.1M.



The fair value gains included the recognition of $1.1M in investment income from the Acrecent Financial Corporation (AFC) investment, otherwise referred to as the Puerto Rico Credit Fund (PRCF). AFC was not consolidated into SCI and on a go-forward basis, the value earned by SCI will be represented in this line item, which is marked-to-market. AFC generates income from two primary sources: net interest income from the assets on the balance sheet, and from upfront gains on true sale assets, which are administered off-balance sheet.

The 24.3% increase in interest income reflected a larger portfolio of private credit investments relative to the previous year. The fair value of investments in portfolio companies excluding the

PRCF was $98.3M, up from $82.8M at the start of the year. The average investment per portfolio company was $3.2M, up from $2.7M while the weighted average yield was 13.3%, up from 12.7%.

SCI utilized debt to finance the PRCF investment, which resulted in the 73.2% increase in interest expense. However, as the PRCF investment is not consolidated into the financials of SCI, there is no offsetting increase in interest income from the acquisition. This resulted in the "shrinking" of SCI's net interest spread relative to previous years. However, the PRCF investment income is captured in total income and substitutes for the absence of interest income.

Total expenses rose 151.1% or $4.3M to $7.2M, largely due to an impairment allowance of $3.8M, up from an allowance of $69.7K in the prior year. The increase in impairment allowance was almost solely due to a charge-off of $3.85M related to one portfolio company in the Cayman Islands.

The company was assessed as a Stage 3 asset in the 1Q21 financials and in 3Q22, an increase impairment provision was made as the deemed value of the collateral deteriorated materially relative to the outstanding debt of the senior and junior creditors alongside SCI. The charge-off was driven by further deterioration in the credit outlook of the company after it was hit with demand letters from creditors and placed into receivership.

SCI awaits the outcome of certain events and stated that is pursuing all avenues to recover all or parts of its investments. The Company was swift to note that it was the first charge-off in its five-year history and that the annualized loss rate was less than 0.4% of the $220.M in capital deployed across the region.

SCI Abridged Financials

	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	
	US$	US$	US$	US$	US$	% change
Net interest income	1,170,917	3,168,047	4,492,018	6,424,202	7,104,753	10.6%
Total expenses	414,909	1,303,789	2,619,281	2,869,629	7,205,335	151.1%
Pre-tax profit	1,423,747	2,050,631	1,954,377	5,058,327	3,919,477	-22.5%
Net profit	1,423,747	2,050,631	1,972,793	5,028,317	3,823,104	-24.0%
Total assets	37,004,578	38,145,919	61,039,613	87,870,447	136,793,967	55.7%
Total liabilities	385,655	559,382	23,367,254	21,134,371	69,331,498	228.1%
Total debt	-	-	21,558,749	19,198,924	64,668,601	236.8%
Shareholders' equity	36,618,923	37,586,537	37,672,359	66,736,076	67,462,469	1.1%
Efficiency ratio	**30.4%**	**31.4%**	**32.7%**	**42.0%**	**36.1%**	
Management expense ratio	**1.0%**	**2.6%**	**2.4%**	**3.1%**	**2.2%**	
Net profit margin	**77.4%**	**61.1%**	**43.1%**	**63.4%**	**34.4%**	
Debt to assets (x)	**-**	**-**	**0.35**	**0.22**	**0.47**	
Debt to equity (x)	**-**	**0.57**	**0.29**	**0.29**	**0.96**	

Management fees rose 32.7% to $1.9M while corporate service fees amounted to $336.4K, up 26.6% year-over-year. The increases in these line items were attributable to greater assets under management. Performance fees were down 85.4% to $50.9K. A net foreign exchange loss of $405.2K was reported for the year, up over 450% and reflected the Group's net exposure to Jamaican dollar assets, which fluctuated based on movements in the JMD/USD exchange rate. SCI noted that it booked upfront "accounting losses" of US$307.8K related to the use of indexed notes (indexed from JMD to USD), which were used to finance the balance sheet. These losses did not represent actual losses made on these transactions and were the primary driver of the reported foreign exchange loss.

SCI reported an efficiency ratio of 36.1%, an improvement on the 42.0% booked in 2021, which exceeded its target level of 40.0%. The efficiency ratio is measured by total operating assets divided by total investment income. SCI's management expense ratio (MER) (operating expenses/assets under management) was 2.2%, and improvement on the 3.1% reported in the prior year. SCI's target MER is 2.85%.

SCI reported a pre-tax profit of $3.9M, which was down 22.5% year-over-year. Net profit amounted to $3.8M, which was down 24.0% year-over-year, as the tax expense rose 221.1% to $96.4K. The return on equity amounted to 5.7%, down from 9.6% while the return on assets was halved from 6.8% to 3.4%. The return on equity has averaged 6.5% over the past four years, while the return on assets have averaged 4.9%.

Liquidity & Solvency

Total assets amounted to $136.8M, up 55.7% or $48.9M year-over-year. Investments amounted to $120.9M, up 50.2% or $40.4M whilst finance lease receivable totalled $1.6M, up 166.2%. Cash at bank stood at $8.5M, up from $1.03M a year prior while interest receivable rose 13.7% to $3.7M.

SCI financed new investment commitments valued at $49.2M for the FY, relative to $41.1M for the 2021FY. Excluding PRCF, new investments amounted to $28.0M. During the year, the Company exited three portfolio companies. The number of portfolio companies stood at 30 at yearend, down from 31 at the start of the period.

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	2022FY	2021FY
Investment Activity Summary[2]	US$	
Fair value of investment in portfolio companies	122,509,031	82,797,478
Excluding PRCF	98,349,856	82,797,478
New investment commitments during period	49,221,591	41,095,316
Excluding PRCF	27,998,000	41,095,316
Dry Powder to be deployed[3]	8,470,884	1,029,391
Number of portfolio company investments (#)	30	31
Average investment per portfolio company	3,278,329	2,670,886
Weighted average term of portfolio company investments (years)	1.8	2.1
Weighted average fair value yield on portfolio companies	13.3%	12.7%
Non-performing portfolio company investments	2	2
Non-performing investments ratio[4]	2.3%	2.8%

SCI has US$1.0M in exposure to a bankrupt portfolio company that was put up for sale and is included as part of the US$2.3M in non-performing investments. However, SCI's investment, though unsecured, was structured with an external guarantee supported by a charge over real estate. Notwithstanding the additional collateral, at a creditors' meeting in August 2022, the receiver advised the creditors that the sale price received from bids was sufficient to repay all creditors.

Excluding PRCF, SCI has diversified across 8 territories and 11 industries, with Jamaica representing the largest territory allocation and Financial Services representing the largest industry allocation at 39.3% and 23.4%, respectively. Including PRCF, SCI has exposure to 13 territories and 16 major industries. Puerto Rico represents the largest territory allocation at 39.6%, followed by Jamaica and St. Lucia at 24.1% and 10.6%, respectively. The largest three industries by allocation were Financial – 13.7%, Hospitality - 13.0% and Commercial Real Estate – 12.5%.

SCI's cash at bank or "dry-powder" reflected net proceeds from an US$8.0M investment exit six days prior to the end of the financial yearend. The Group also has undrawn revolving credit facilities of approximately US$3.44M in addition to capital being raised from its US$14.7M preference share offer. The Company was also in discussions early in the new financial year with

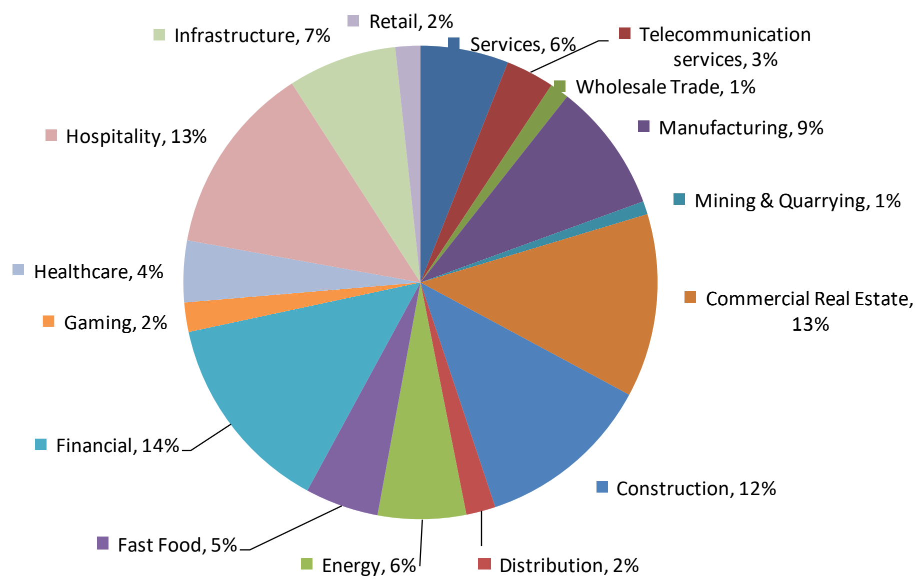
[2] Source – Management Discussion & Analysis: Financial Yearend June 30, 2022

[3] Excludes US$3.4M in undrawn credit facilities and remaining capital raise from private placement of preference shares

[4] Excludes charge-off (nil balance) for one portfolio investment in the Cayman Islands for US$3.4M

international financing partners to access large credit facilities to facilitate the scaling of business segments and creation of new revenue streams. SCI reported net cash outflows of $1.7M from operating activities, down from outflows of $3.6M in the previous year. This improvement can be attributed to an increase in accounts payable of $2.7M, relative to a decline of $571.0K in the 2021FY.

SCI Portfolio Company Industry Allocation including PRCF - June 30, 2022



The growth in SCI's total assets was financed primarily by capital raised through multi-series debt instruments amounting to more than $50.0M inclusive of maturing debt that was rolled. Total liabilities amounted to $69.3M, up $228.1% or $48.2M. Notes payable rose 310.9% to $60.3M or $45.6M. Total debt stood at $64.7M, up 236.8% or $45.5M. Total debt included preference shares of $1.1M and loans of $3.0M. Accounts payable & accrued liabilities rose 236.9% to $3.96M and reflected $2.0M in earnouts related to the acquisition of AFC. An earnout is a contractual provision that provides for additional payments to a seller of a business if the business achieves certain financial goals.

Share capital amounted to $60.9M, unchanged from the start of the year, whilst retained earnings rose 12.4% or $726.4K to $6.6M, driven by the $3.8M net profit for the year, partially offset by a $3.1M dividend declaration. Shareholders' equity amounted to $67.5M, up 1.1% year-over-year. SCI's debt-to-equity stood at 0.96x, up materially from the 0.29x reported at the start of year but within management's target threshold of 1.25x and below the 2.0x limit. Debt to assets stood at 0.47x, which was also below the target threshold of 0.50x.

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Outlook

The past two financial years saw SCI tackling the impacts of the COVID-19 pandemic and the mitigation strategies implemented by governments to stem its flow on its portfolio companies. With vaccination rates improving across the region and less severe forms of the virus becoming the dominant strains, the global economy has seen a material return to normalcy. The Company noted that many of its portfolio Caribbean nations reopened to international travel, as evidenced by Jamaica seeing a return to pre-COVID tourist arrival levels. SCI sees the global economy being threatened by inflation, driven by lasting effects of the global pandemic on the global supply chain and the war between Russia and Ukraine.

The rise of inflation has led to contractionary monetary policy moves by central banks across the globe, in an effort to halt the rise of consumer prices. To this end, central banks worldwide have raised their policy rates to levels not seen in years. The Bank of Jamaica raised its policy rate from 0.50% in September 2021 to 7.00% in November 2022. This may impact SCI's net interest margin, particularly as it has emphasized debt financing as the vehicle for further growth.

Despite these economic headwinds, we believe SCI is well-positioned to weather the storm as evidenced by its performance during the heights the of the COVID-19 pandemic. The prudency of SCI's investment philosophy is highlighted by the less than 0.4% annualized loss rate since operations began in 2017.

SCI underlined its focus on three key priorities to continue to generate risk-adjusted returns: proactively managing the private credit portfolio to minimize charge-offs and realized credit losses; maintaining a strong balance with a high asset coverage ratio and moderate leverage; and deepening current partnerships and building new relationships across the Caribbean to scale the growth and expansion of its Caribbean private credit platform.

SCI is targeting at least US$300M in investment originations within the next three years, financed by a combination of international and regional credit facilities and co-investing partners. Key to this strategy is the growth of the non-interest revenue streams to complement net interest income to boost return on equity and earnings per share. SCI intends to utilize debt as the primary source of capital to finance this accelerate growth. The Company's debt-to-equity ratio of less than 1.0x, which is substantially lower than traditional finance firms with leverage ratios as high as 10x, indicating the flexibility for additional debt.

SYGNUS Credit Investments (SCI) Ltd.

2023FY First Quarter Results

For the first quarter ended September 30, 2022, SCI reported an 8.0% increase in net profit as total income rose at a slower pace than expenses. Total income rose 12.9% to $2.57M as net interest income fell 14.4% or $262.1K to $1.56M while fair value gains more than doubled (119.7%) to $986.1K. Total expenses rose 19.6% or $143.8K to $879.1K. As such, pre-tax profits rose 9.8% and after accounting for tax expense of $60.6K, a net profit of $1.63M was recorded.

This performance yielded record first quarter results for core revenues, core earnings and net profits. The growth in income was driven by a record portfolio of private credit investments and investment income from the underlying value of the investment in Acrecent Financial Corporation. Core revenues[5] rose 24.7% to $2.27M while operating expenses rose 29.3% to $899.5K driven by higher management fees and corporate services fees related to larger assets under management.

Summary Results of Operations			
	1Q2023FY	1Q2022FY	FYE June 2022
	US$	US$	US$
Interest Income	2,780,497	2,239,647	10,217,443
Interest Expense	(1,218,913)	(416,011)	(3,112,690)
Net Interest Income	**1,561,584**	**1,823,636**	**7,104,753**
PRCF Investment Income	693,703	-	1,098,772
Participation and Commitment Fees	19,006	-	42,697
Total Investment Income	**2,274,293**	**1,823,636**	**8,246,222**
Total Operating Expenses	899,473	695,788	2,979,980
Net Investment Income	**1,374,820**	**1,127,848**	**5,266,242**
Fair Value Gain (Loss)	292,352	448,765	(2,878,590)
Net Foreign Exchange Gain (Loss)	55,019	(10,325)	(405,221)
Impairment Allowance on Financial Assets	(34,613)	(29,148)	(3,820,134)
Profit Before Taxation	**1,687,578**	**1,537,140**	**(1,837,703)**
Taxation Charge	(60,634)	(30,223)	(96,373)
Profit Attributable to Shareholders	**1,626,944**	**1,506,917**	**(1,934,076)**
EPS	0.0028	0.0025	0.0065
Efficiency Ratio	39.5%	38.2%	34.40%
Management Expense Ratio	2.5%	3.1%	2.20%
Debt/Equity	1.01	0.35	0.96

SCI maintained its expenses with the target range as the management expense rate was 2.5%, down from 3.1% a year prior, and below the target threshold level of 2.85%. The efficiency ratio was 39.5%, below the threshold level of 40.0% but up from the outrun of 38.2% reported for the prior year period.

During the quarter, SCI financined new investment commitments totalling $6.4M and its investment in portfolio companies grew 46.3% to a record $129.9M. This investment in portfolio companies includes the fair value investment of US$24.9M in the Puerto Rico Credit Fund (PRCF).

[5] Core Revenues = net interest income + Puerto Rico Credit Fund Investment Income + Participation and Commitment Fees

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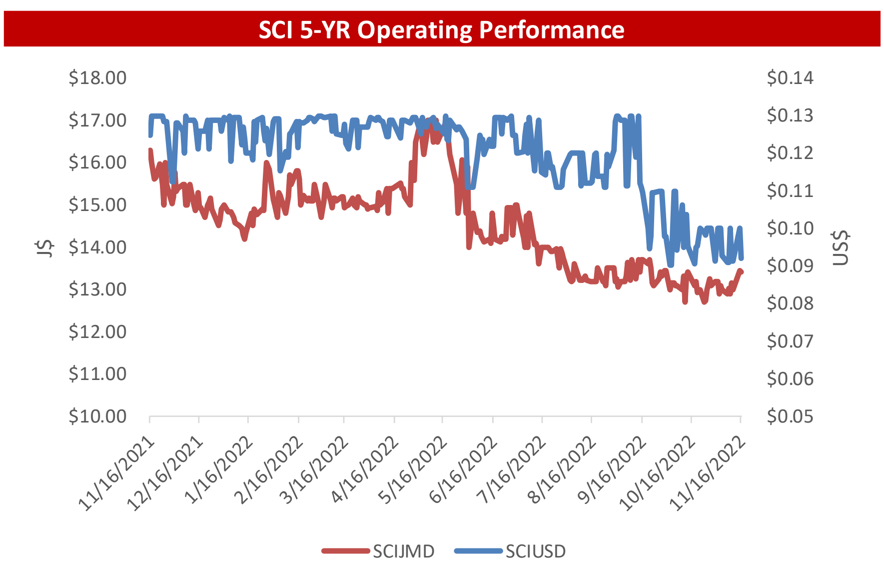
Valuation

Going forward, we believe SCI's earnings will be bolstered by the continued positive contribution of the Puerto Rico Credit Fund investment as well as the non-recurrence of the US$3.5M charge-off posted in the 2022FY. Based on our forecasts, we are projecting total income of US$11.52m and net profits of US$7.08M for the 2023FY, which corresponds to an EPS of $0.012, an 85.2% increase year-over-year. Shareholders' equity is seen raising 3.4% to $69.77M. We utilized the price multiples approach to value SCI.

Applying SCIUSD's 1-year P/E ratio average of 12.26x to the forward EPS of US$0.012 yields a price of US$0.1469. Applying SCIUSD's 1-year P/B ratio average of 1.06x to our forward BVPS of US$0.1181 yields a price of US$0.1249. **The average of these two estimates is US$0.1359, which is 36.2% above the close price of approx. $0.0998 as at late November to early December 2022.**

Applying SCIJMD' 1-year P/E ratio average of 9.66x to the forward EPS of J$1.85 yields a price of J$17.89. Applying SCIJMD's 1-year P/B ratio average of 0.83 x to our forward BVPS of J$18.26 yields a price of J$15.12. **The average of these two estimates is J$16.51, which is 31.3% above the close price of approx. $12.57 as at late November to early December 2022.**



SCIUSD is down 20.2% from a price per share of year prior and 22.6% year-to-date while SCIJMD is down 21.6% from its price a year ago and 15.5% from its price. Both stocks typically see relatively low trade liquidity, which investors should be mindful of when deliberating any portfolio decision with these stocks in mind.

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The shares may see a spark in pricing as the Company should soon announce its Share Buy-Back Program. Per SCI's IPO prospectus, the Articles of SCI call for it to invite shareholders to offer for such number of shares that the aggregate value of which shall not exceed more than 15% of the Net Asset Value after the Fifth Anniversary Date. If any response to such invitation offers are received for more shares than the Company is obligated to repurchase, acceptances will be scaled back on a pro rata basis based on the offers received and not the number of Shares held by the offering shareholders.

After the initial invitation, similar invitations will be made every three years following the Fifth Anniversary Date and every such invitation shall be made within ninety (90 days) of the relevant anniversary date. In the 1Q2023FY Earnings Call, Jason Morris, Chief Investment Officer and Head of Investment Management at Sygnus Group stated that the Share Buy Back was an ongoing work-in-progress.

Recommendation

We recommend the US- and JMD-denominated SCI shares as **OUTPERFORM/OVERWEIGHT/BUY** as the both trade at double-digit discounts to our estimates of their fair value. Sygnus offers diversification into a unique asset class that has exposures across various productive sectors, jurisdictions, and currencies. This investment is suitable for investors with medium-risk appetite and a medium to long-term investment horizon. It is also appropriate for investors seeking income-generating investment options. SCI aims to pay a dividend payout ratio as high as 85% and to date has paid out over US$6.5M in dividends since listing.

The primary risk faced by the company is credit risk and the extent to which the company is exposed to this risk is SCI's ability to properly assess the credit investments it makes in target companies. This risk has been mitigated by instituting globally-accepted standards for portfolio and risk management with the maintenance of a diversified portfolio of private credit investments.

Source: http://www.Jamstockex.com, JMMB Investment & Research, Bloomberg, APO Prospectus, Company Financials

APPENDIX

IMPORTANT DISCLOSURES

ABSTRACT—As a part of our new Portfolio Strategy we are recommending strict adherence to the following Portfolio Allocation **DEFINITIONS/RECOMMENDATIONS**.

PLEASE NOTE THAT NO INDIVIDUAL ASSET IN YOUR PORTFOLIO SHOULD HAVE A WEIGHTING GREATER THAN 5% UNLESS OTHERWISE RECOMMENDED BY YOUR PORTFOLIO MANAGER OR A SPECIFIC JMMB RESEARCH REPORT. CONSEQUENTLY THE FOLLOWING **DEFINITIONS** ARE PROVIDED FOR CLARITY.

OUTPERFORM/OVERWEIGHT/BUY—EXPOSURE TO THIS ASSET SHOULD BE UP TO 10% OF YOUR TOTAL PORTFOLIO HELD AT JMMB

MARKETPERFORM/HOLD/MARKETWEIGHT—EXPOSURE TO THE ASSET SHOULD BE EQUAL TO 5% OF YOUR TOTAL PORTFOLIO HELD AT JMMB.

UNDERPERFORM/UNDERWEIGHT— ADJUST EXPOSURE IN YOUR PORTFOLIO HELD AT JMMB TO BETWEEN 2.5% AND 4.9% FOR THIS PARTICULAR ASSET

STRONGLY UNDERPERFORM/UNDERWEIGHT—REDUCE EXPOSURE TO THIS ASSET TO BELOW 2.5% OF YOUR TOTAL PORTFOLIO HELD AT JMMB

SELL—REDUCE EXPOSURE IN YOUR PORTFOLIO TO ZERO (0%).

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