

# MAYBERRY JAMAICAN EQUITIES

## JMD Q3 2021

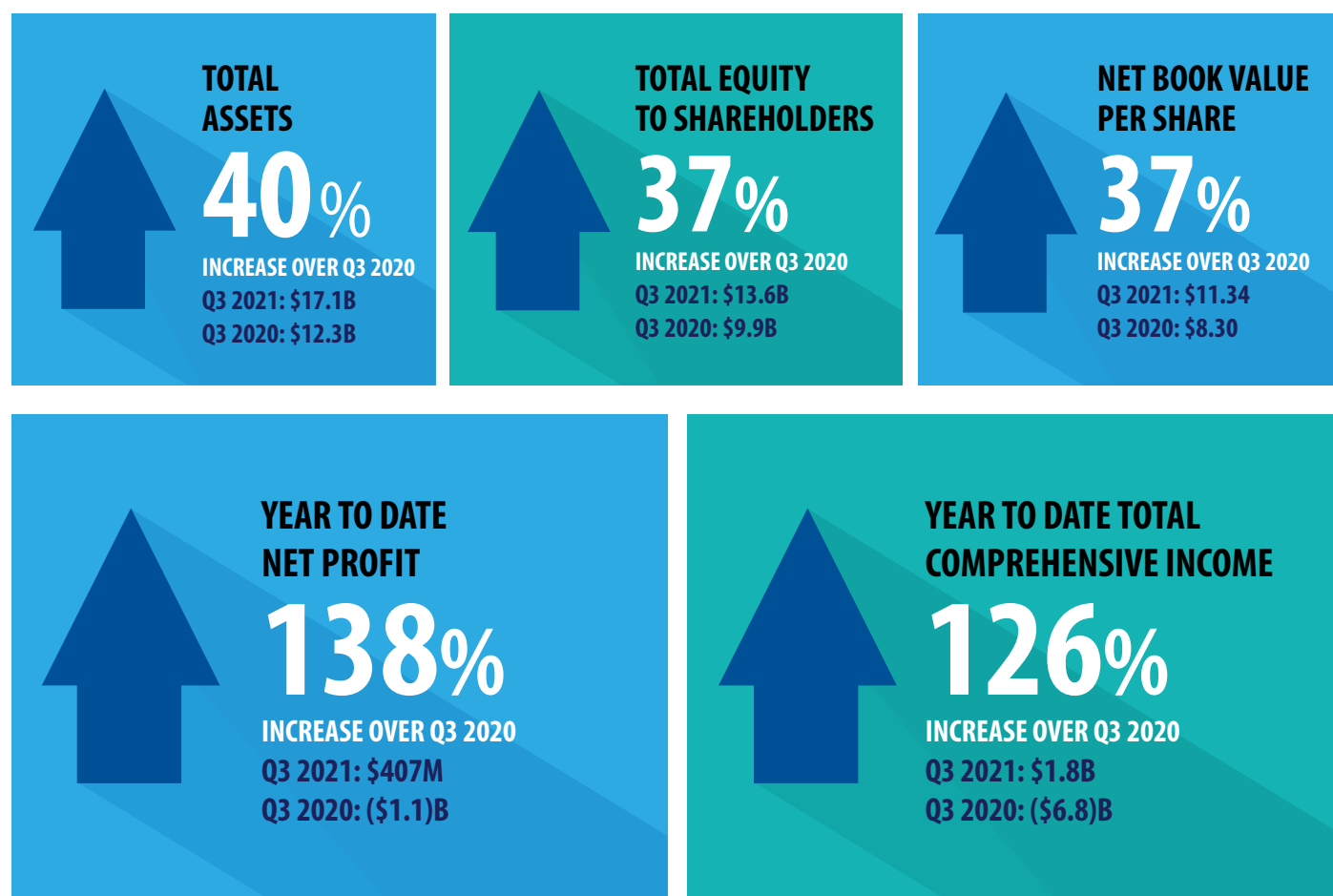
### UNAUDITED FINANCIAL RESULTS



# MANAGING DIRECTOR'S COMMENTARY ON FINANCIAL RESULTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 (UNAUDITED)  
(represented in J\$)

## PERFORMANCE HIGHLIGHTS



# UNAUDITED RESULTS FOR THE 3rd QUARTER 2021

## INVESTMENT ENVIRONMENT

For the nine months to September 2021, Mayberry Jamaican Equities Limited (MJE) volumes traded on the Jamaica Stock Exchange (JSE) was 164.04 million units compared to 65.35 million for corresponding period in the prior year.

The Jamaican economy grew by 14.2% year -on- year to June 2021. The growth in the quarter ending June 2021, ended the run of five consecutive quarters of contraction, which largely reflected the continued negative impact of the novel Coronavirus (COVID-19). However, the expansion in the second quarter should be viewed in the context of a significant fall in economic activity of 18.4% due to measures implemented to curb the spread of the novel Coronavirus (COVID-19).

This expansion in the second quarter resulted from a 14.8% and 12.7% increase for the Services and Goods Producing industries. During this time, the economy welcomed the relaxation of Covid-19 measures, reduced curfew hours, and easing travel restrictions, which positively impacted commerce and tourism-related activities. When compared to the first quarter of 2021, total value added rose 2.4% which was a gradual improvement in economic activity.

The inflation rate for August 2021 was 0.9%, primarily attributed to the 1.8% rise in the index for the heavily weighted 'Food and Non-Alcoholic Beverages' division. As of August 2021, the point-to-point inflation rate was 6.1%, while the fiscal year-to-date inflation rate was 4.3% and the calendar year-to-date inflation rate was 4.7%.

The exchange rate since the start of 2021 devalued by 3.2% or J\$4.59 to J\$147.24 as at September 30, 2021, while the movement year on year reflects a devaluation of 3.6% from J\$142.10 as of September 30, 2020. For the period January to September 2021, the JSE Main Market Index reflected an advance of 19,275.05 points or 4.87% from 395,614.93 to 417,864.91 points. However, when compared to September 2020 on a year-on-year basis, the September 2021 units improved by 34,463.98 or 9.06%. The JSE Junior Market reported similar trends, as it ended September 2021 at 3,296.35 points compared to 2,555.67 points for September 2020. Year on year, it rose by 740.68 points, a 28.9% increase.





## PORTFOLIO HIGHLIGHTS

MJE currently holds stock in 33 companies listed on the Main and Junior Markets of the Jamaica Stock Exchange (JSE).

The company made net additions to investments during the quarter reflecting the continued favorable pricing of some stocks relative to the Investment Manager's growth projections for earnings and dividend yield.

	2021 J\$'000	2020 J\$'000
Q3 TOTAL ADDITIONS	1,632,611	96,858
Q3 TOTAL DISPOSALS	225,535	192,155

### THE TOP 5 ADDITIONS AND DISPOSALS FOR THE PORTFOLIO

JULY TO SEPTEMBER 2021

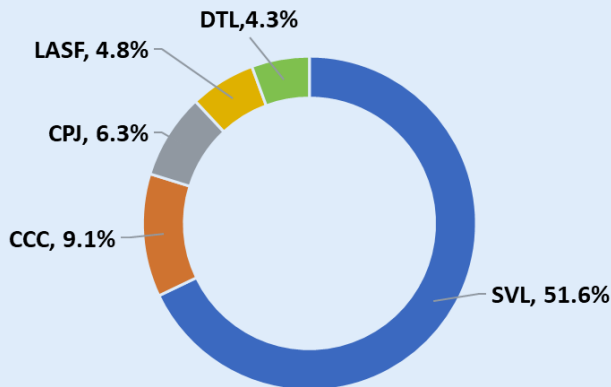
	2021 J\$'000		2020 J\$'000
<b>TOP 5 ADDITIONS - Q3</b>		<b>TOP 5 ADDITIONS - Q3</b>	
SVL	\$1,423,071	WIG	\$43,122
GK	\$168,960	GENAC	\$12,258
MIL	\$12,429	SVL	\$10,360
LUMBER	\$6,011	CCC	\$7,728
FTNA	\$5,157	CAR	\$6,490
<b>TOP 5 DISPOSALS - Q3</b>		<b>TOP 5 DISPOSALS - Q3</b>	
LUMBER	\$140,684	GENAC	\$60,203
HONBUN	\$76,214	JBG	\$54,898
CCC	\$7,035	CCC	\$24,695
KREMI	\$812	JMMBGL	\$21,409
DTL	\$395	EPLY	\$7,885



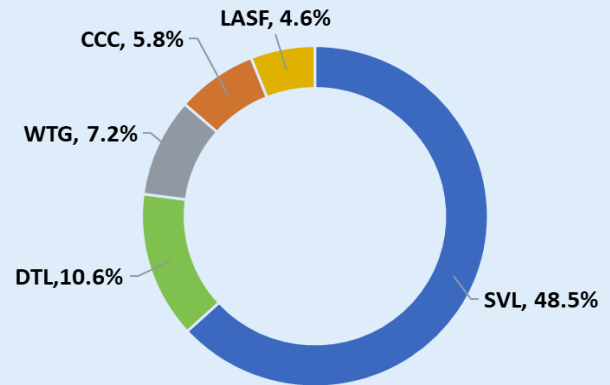
## THE TOP 5 LARGEST HOLDINGS (VALUE OF SHARES)

AS AT SEPTEMBER 30

**2021 - TOP 5 - % OF TOTAL VALUE OF INVESTMENTS**



**2020 - TOP 5 - % OF TOTAL VALUE OF INVESTMENTS**



## NET ASSET VALUE (NAV)

The net book value per share increased by 37% to J\$11.34 as at September 30, 2021, compared to J\$8.30 for the corresponding period in 2020. The 2021 performance continues to reflect a steady improvement following the December 2020 close at J\$9.89. MJE's stock price closed at J\$8.71 on September 30, 2021, a 9.8% appreciation compared to that of September 30, 2020.

**MJE NAV PERFORMANCE - J\$**



## FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	30 September 2021 (J\$'000)	30 September 2020 (J\$'000)	Change (J\$'000)	% Change
Total Assets	17,146,420	12,282,393	4,864,027	39.6%
Total Liabilities	3,528,040	2,308,453	1,219,587	52.8%
Stockholders' Equity	13,618,380	9,973,940	3,644,440	36.5%
Net Book Value Per Share	\$11.34	\$8.30	\$3.03	36.5%

Total assets as at September 30, 2021 were valued at J\$17.1 billion. This represents a 39.6% increase from the J\$12.3 billion reported as at September 30, 2020. The J\$4.9B increase was mainly attributable to the net acquisition of investment securities and unrealized gains on the portfolio over the period.

Total liabilities were J\$3.5 billion as at September 30, 2021, an increase of J\$1.2 billion compared to the corresponding period in 2020, driven mainly by an increase in funding from repurchase agreement for investment purchases.

## SHAREHOLDERS' EQUITY

Mayberry Jamaican Equities Limited's capital base continues to be strong closing the quarter with J\$13.6 billion for shareholders' equity. This position increased by J\$3.6 billion when compared to Q3 2020. This was attributable to an increase in retained earnings for the 12-month period by J\$1.1 billion and year over year increase in fair value reserves of J\$2.6 billion.

## OVERALL PERFORMANCE

In the wake of the gradual return of investors' confidence to the local financial markets and the continued favourable performance of strategic stocks in MJE's portfolio, the Company reported a net profit of J\$78.1 million for quarter ending September 2021 compared to J\$87M in the prior year. This performance mainly resulted from increased realized foreign exchange gains of J\$31.2 million and dividend income of approximately J\$48.7 million when compared to the same period in 2020. In addition, total operating expenses were lower by J\$2.2 million, resulting mainly from reduced computer expenses. This resulted in an earnings per share (EPS) of J\$0.06 (2020: J\$0.07).

For the nine months ended September 30, 2021, the Company recorded improved profitability of J\$572 million compared to a net loss of J\$1.1 billion for the corresponding nine-month period in 2020.



## TOTAL COMPREHENSIVE INCOME

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	3 Months ended 30 September 2021 (J\$'000)	3 Months ended 30 September 2020 (J\$'000)	Change (J\$'000)	% Change
Net Interest Income and Other Revenues	120,679	131,794	(11,116)	(8.4%)
Operating Expenses	42,541	44,787	2,246	5.0%
Profit before Taxation	78,138	87,007	(8,869)	(10.2%)
Net Profit	78,138	87,007	(8,869)	(10.2%)
Other Comprehensive (Loss)/Income	(1,341,998)	(430,827)	(911,171)	(211.5%)
Total Comprehensive (Loss)/Income	(1,263,860)	(343,819)	(920,041)	(267.6%)
Earnings Per Share (EPS)	\$0.065	\$0.072	(\$0.01)	(10.2%)

MJE recorded a total comprehensive loss of J\$1.3 billion for the three-month period July to September 2021. This compares to a total comprehensive loss of J\$344 million for the July to September 2020 quarter. This performance reflects the results of unfavorable price movements on securities in the portfolio during the quarter. However, total comprehensive income for the nine-month period ended September 30, 2021, was J\$1.8 billion a significant turnaround compared to the total comprehensive loss of J\$6.8 billion for the similar period in 2020 due to the negative effects on markets from the COVID – 19 pandemic.

## TOTAL REVENUES

Net revenues generated for July to September 2021 was J\$120.7 million reflecting a marginal decline of J\$11.1 million over the corresponding quarter in 2020. This performance resulted from reduced unrealized gains on investments. For the nine months period ended September 30, 2021, the Company reported net revenues of J\$694.5 million an increase of 171% over the corresponding period in 2020.



## OPERATING EXPENSES

Total operating expenses of J\$42.5 million for the third quarter reflected favourably when compared to Q3 2020 by J\$2.2 million. This reduction was mainly attributable to cost improvements for computer fees. For the nine months to September 2021, the Company recorded total operating expenses of J\$122.6 million compared to J\$95.4 million for the corresponding period in the prior year. This was attributed to increased management fees following the improvement in net asset value under management.

Mayberry Jamaican Equities Limited takes this opportunity to thank all our shareholders, the Board of Directors and support teams for your continued support.



Natalie G. Augustin  
Managing Director





# STATEMENT OF PROFIT AND LOSS


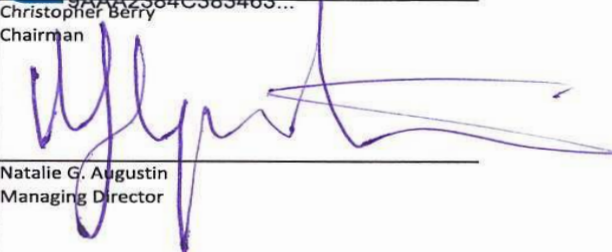
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	UNAUDITED 3 Months ended 30 September 2021 J\$'000	UNAUDITED 3 Months ended 30 September 2020 J\$'000	UNAUDITED 9 Months ended 30 September 2021 J\$'000	UNAUDITED 9 Months ended 30 September 2020 J\$'000	AUDITED 12 Months ended 31 December 2020 J\$'000
<b>Net Interest Income and Other Revenues</b>					
Interest income	194	264	742	1,450	1,751
Interest expense	(49,603)	(41,310)	(132,260)	(135,118)	(180,992)
<b>Net Interest income</b>	<b>(49,409)</b>	<b>(41,046)</b>	<b>(131,518)</b>	<b>(133,668)</b>	<b>(179,241)</b>
Dividend income	88,389	39,720	292,465	233,328	320,721
Net trading gains/(loss)	-	1,677	1,152	60,571	62,341
Unrealized gain/(loss) on investment revaluation	59,214	140,161	555,648	(1,108,717)	(1,207,239)
Realized foreign exchange gain/(loss)	22,485	(8,717)	(23,249)	(23,229)	(11,631)
	<b>120,679</b>	<b>131,794</b>	<b>694,497</b>	<b>(971,715)</b>	<b>(1,015,049)</b>
<b>Operating Expenses:</b>					
Other operating expenses	42,541	44,787	122,609	95,382	155,497
<b>Profit/(Loss) before Taxation</b>	<b>78,138</b>	<b>87,007</b>	<b>571,889</b>	<b>(1,067,097)</b>	<b>(1,170,546)</b>
Taxation (charge) / credit	-	-	-	615	26,045
<b>NET PROFIT/(LOSS)</b>	<b>78,138</b>	<b>87,007</b>	<b>571,889</b>	<b>(1,066,482)</b>	<b>(1,144,501)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Net unrealized gain/(loss) on financial instruments - FVOCI	(1,341,998)	(430,827)	1,194,098	(5,741,333)	(4,093,220)
<b>Other comprehensive (loss)/income, Net of Tax</b>	<b>(1,341,998)</b>	<b>(430,827)</b>	<b>1,194,098</b>	<b>(5,741,333)</b>	<b>(4,093,220)</b>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>	<b>(1,263,860)</b>	<b>(343,819)</b>	<b>1,765,987</b>	<b>(6,807,814)</b>	<b>(5,237,721)</b>
<b>Number of Shares in issue</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>
<b>Earnings per share</b>	<b>\$0.065</b>	<b>\$0.072</b>	<b>\$0.48</b>	<b>(\$0.89)</b>	<b>(\$0.95)</b>



# STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

	UNAUDITED September 30, 2021	UNAUDITED September 30, 2020	AUDITED December 31, 2020
	J\$'000	J\$'000	J\$'000
Cash and cash equivalents	340,907	613,916	330,879
Investments	16,690,344	11,577,338	13,726,499
Interest receivable	(93)	(37)	-
Taxation recoverable	2,622	2,374	2,610
Due from parent company	59,486	-	-
Intangible asset	48,402	55,495	53,944
Other receivables	4,752	33,306	33,495
<b>TOTAL ASSETS</b>	<b>17,146,420</b>	<b>12,282,393</b>	<b>14,147,427</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Deferred tax	12,214	26,162	17,585
Interest payable	12,447	3,531	4,145
Due to parent company	-	75,660	16,106
Repurchase agreement	1,204,069	-	-
Accounts payable	10,352	4,340	39,107
Loans	2,192,846	2,189,269	2,190,163
Due to related company	96,111	9,491	-
<b>TOTAL LIABILITIES</b>	<b>3,528,040</b>	<b>2,308,453</b>	<b>2,267,106</b>
<b>STOCKHOLDERS' EQUITY</b>			
Share capital	1,468,162	1,468,162	1,468,162
Fair value reserve	5,689,394	3,095,173	4,731,631
Retained earnings	6,460,825	5,410,605	5,680,529
	13,618,380	9,973,940	11,880,322
Non-controlling interests	-	-	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>13,618,380</b>	<b>9,973,940</b>	<b>11,880,322</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>17,146,420</b>	<b>12,282,393</b>	<b>14,147,427</b>
<b>Net book Value per Stock Unit</b>	<b>Q3 2021 \$11.34</b>	<b>Q3 2020 \$8.30</b>	<b>DECEMBER 2020 \$9.89</b>
Approved by the Board of Directors for issue on October 11, 2021 and signed on its behalf by:			
<b>DocuSigned by:</b>			
			
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Christopher Berry			
Chairman			
			
Natalie G. Augustin			
Managing Director			



## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021  
UNAUDITED

	No. of Shares	Share Capital \$ J\$'000	Fair Value Reserve \$ J\$'000	Retained Earnings \$ J\$'000	Total \$ J\$'000
<b>Balance at January 1, 2020</b>	1,201,149	1,468,162	9,037,154	6,568,530	17,073,847
Total comprehensive income for the year			(5,741,333)	(1,066,482)	(6,807,814)
Realized (loss)/gain on fair value instruments transferred to retained earnings			(200,649)	200,649	-
Ordinary dividends paid				(72,069)	(72,069)
Translation adjustment				(220,024)	(220,024)
<b>Balance at September 30, 2020</b>	<b>1,201,149</b>	<b>1,468,162</b>	<b>3,095,173</b>	<b>5,410,605</b>	<b>9,973,940</b>
<b>Balance at January 1, 2021</b>	1,201,149	1,468,162	4,731,631	5,680,529	11,880,322
Total comprehensive income for the year			1,194,098	571,889	1,765,987
Realized (loss)/gain on fair value instruments transferred to retained earnings			(257,339)	257,339	-
Ordinary dividends paid			-	(72,069)	(72,069)
Translation adjustment	-	-	21,004	23,137	44,141
<b>Balance at September 30, 2021</b>	<b>1,201,149</b>	<b>1,468,162</b>	<b>5,689,394</b>	<b>6,460,825</b>	<b>13,618,380</b>



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 September 2021 J\$'000	3 Months ended 30 September 2020 J\$'000	9 Months ended 30 September 2021 J\$'000	9 Months ended 30 September 2020 J\$'000	12 Months ended 31 December 2020 J\$'000
Profit/Loss for the period	78,138	87,007	571,889	(1,066,482)	(1,144,501)
<i>Other comprehensive Income for the period net of tax:</i>					
Items that will or maybe classified to the statement of income					
Unrealized gain/(loss) on financial instruments	(1,341,998)	(430,827)	1,194,098	(5,741,333)	(4,093,220)
<b>Total comprehensive (loss)/income attributable to stockholders</b>	<b>(1,263,860)</b>	<b>(343,819)</b>	<b>1,765,987</b>	<b>(6,807,814)</b>	<b>(5,237,721)</b>



# STATEMENT OF CASHFLOW

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	UNAUDITED 9 Months ended 30 September 2021 J\$'000	UNAUDITED 9 Months ended 30 September 2020 J\$'000	AUDITED Year ended 31 December 2020 J\$'000
<b>Cash Flows from Operating Activities</b>			
Profit/(Loss) before taxation	571,889	(1,067,097)	(1,170,546)
<b>Adjustments to reconcile profit to net cash used in operating activities:</b>			
Amortization	6,679	-	4,159
Interest income	(742)	(1,450)	(1,751)
Interest expense	132,260	135,118	180,992
Realized fair value gain/(loss) transferred to retained earnings	257,339	200,649	212,303
Unrealized fair value gain/(loss) on financial instruments - FVPL	(555,648)	1,108,717	1,207,239
Unrealized foreign exchange gains	23,249	23,229	12,580
<b>Adjusted Profit / (Loss)</b>	<b>435,027</b>	<b>399,166</b>	<b>444,976</b>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in investment securities	(1,462,675)	(275,667)	(254,001)
(Increase)/decrease in other receivables	28,731	(29,993)	(11,536)
Increase/(decrease) in accounts payables & other liabilities	(28,754)	(925)	(434,470)
Increase/(decrease) in due to related companies	20,519	172,833	263,771
Interest received	835	21,696	1,751
Interest paid	(123,959)	(131,596)	(181,065)
Taxation paid	-	-	(7,542)
<b>Cash used in Operating Activities</b>	<b>(1,565,302)</b>	<b>(243,653)</b>	<b>(623,093)</b>
<b>Net Cash used in Operating Activities</b>	<b>(1,130,276)</b>	<b>155,513</b>	<b>(178,118)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of intangible asset	(1,138)	(2,607)	-
<b>Net Cash Generated from Investing Activities</b>	<b>(1,138)</b>	<b>(2,607)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from repurchase agreement	1,204,069	-	-
Ordinary dividend payment	(72,069)	(72,069)	(73,182)
Increase/(decrease) in proceeds from issue of debt security	-	(2,683)	-
<b>Net Cash used in Financing Activities</b>	<b>1,132,000</b>	<b>(74,752)</b>	<b>(73,182)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>587</b>	<b>78,154</b>	<b>(251,300)</b>
Exchange gain/(loss) on foreign cash & cash equivalents	9,441	-	3,401
<b>Cash &amp; Cash Equivalents - Beginning of the year</b>	<b>330,879</b>	<b>535,761</b>	<b>578,778</b>
<b>Cash &amp; Cash Equivalents - End of the year</b>	<b>340,907</b>	<b>613,916</b>	<b>330,879</b>





## NOTES TO THE INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2021

### 1. Accounting Policies

#### (a) Basis of preparation

This condensed interim financial report for the reporting period ended 30 September 2021 have been prepared under the historical cost convention as modified by the revaluation of investment securities at fair value through other comprehensive income, and investment securities at fair value through profit or loss. These financial statements are presented in Jamaican dollars unless otherwise indicated. This report is supplemental to the United States dollar Interim Report and is intended to provide additional information in the local currency of the listed stock to enhance analysis by users.



## TOP TEN SHAREHOLDERS

AS AT SEPTEMBER 30, 2021

Names	Shareholdings
Mayberry Investment Limited	768,614,674
Pwl Bamboo Holdings Limited	99,179,638
Konrad Berry	84,044,294
Vdwsd Limited	47,252,400
Mayberry Asset Managers Limited	41,122,865
Manwei International Limited	40,251,196
Kmb Holdings Inc	6,957,740
Sagicor Select Funds Limited - Class B - Financial	6,482,385
Konrad Limited	6,432,031
William Berry	5,159,183

## CONNECTED PARTIES

A+ Medical Centre	641,141
Mayberry Foundation	554,868



## SHAREHOLDINGS OF DIRECTORS AND SENIOR MANAGEMENT

AS AT SEPTEMBER 30, 2021

<u><b>Directors</b></u>	<u><b>Shareholdings</b></u>	<u><b>Connected Persons</b></u>
Christopher Berry	-	116,319,795
Konrad Berry	84,044,294	7,362,345
Natalie Augustin	253,300	-

