

The Outlook: Looking Ahead

Preparing Your Investments for the Future



Hurricane Melissa began as a tropical storm but quickly intensified, leaving behind an estimated US\$10 billion in damage and a sobering reminder of life's unpredictability. For many, Melissa reinforced a timeless truth: if you fail to plan, you plan to fail. Preparation is not optional; it's critical. As we approach year-end, this is an ideal moment for evaluation and reflection. Just as communities rebuild stronger after a storm, investors should take stock of their portfolios and position for the future. Market "hurricanes" may not come with swirling winds, but their impact can be just as disruptive. While the hurricane was a striking example,

preparing your investments means staying ready for any economic or market shifts, positioning your portfolio not only to withstand disruption but to capitalize on opportunities and achieve long-term profitability.

Recent years have brought disruptions such as trade wars, pandemics, political shifts, government shutdowns, and rapid technological advances — proving the importance of readiness and resilience in portfolio management. If you've spent your hard-earned money building something, you want it to last, and that requires foresight

and maintenance. Let's explore how to future-proof your investments so they stand stronger against tomorrow's economic and market storms.

1. Assess the Damage and Learn from It

Post-Melissa, assessing what was lost and what was preserved is critical. Many of those left homeless lived in dwellings without solid structures or secure roofing. Damage assessments by government agencies and private entities reveal not only urgent repair needs but also opportunities to reinforce both physical infrastructure

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and financial foundations.

This principle applies directly to your portfolio. Evaluating which assets weathered the storm and which faltered is the foundation for smarter rebuilding, reinvestment, and risk management. It's about preparing for all future challenges—not just natural disasters.

Ask yourself: *How much did my portfolio grow or decline this year? What drove that movement—value stocks, growth stocks, or specific sectors? Which securities appreciated significantly, and why? Should I add to those positions, take partial gains, or reduce exposure?*

These questions form the backbone of a thorough portfolio review. You can schedule a call or meeting with your Wealth Advisor to conduct a comprehensive evaluation. This proactive step ensures your financial strategy remains resilient, adaptive, and ready for whatever comes next.

2. Stay Informed: Monitor Key Economic Data and Market Events

Melissa taught us the importance of early warnings. Although a storm's path and intensity can shift, as we observed, staying informed is crucial. Similarly, investors should closely monitor economic indicators, earnings reports, and policy announcements. Leading indicators such as GDP growth, inflation, unemployment rates, and central bank policy decisions provide vital clues about the economy's health and potential shifts.

Using an economic calendar to track important data releases and earnings reports allows you to anticipate market reactions and adjust your portfolio accordingly. Locally, the Statistical Institute of Jamaica, Planning Institute of Jamaica, Central Bank of Jamaica and Ministry of Finance publish a calendar of events and all listed companies' earnings releases are due for publication 45 days after their quarter-end. Globally, economic releases can be found on Bloomberg and other government websites. Investors should also monitor reputable news sources for any critical developments. In Jamaica, these include but are not limited to the Jamaica Gleaner, Jamaica Observer, and the Jamaica Stock Exchange. Internationally, Reuters, CNBC and CNN, among others, are reliable sources for frequent updates.

Staying informed means more than passive watching—it requires understanding how these data points affect sectors and asset classes. This vigilance helps you avoid surprises and equips you to identify tactical opportunities or risks as they develop.

3. Reinforce Your Portfolio Foundation with Resilient Assets

Just as you'd prepare for a storm by buying long-lasting, essentials rather than perishables, you should build your portfolio with resilient, high-quality assets capable of enduring economic and market turbulence. Before a storm, you won't find shoppers stocking up on

meat, ice cream and groceries, which will be easily spoilt if the power goes. Instead, the supermarket shelves will be emptied of essentials such as tissues and food items, including bread, crackers, and canned goods like corned beef and sardines, which have a longer shelf life. It meant acquiring long-lasting essentials rather than perishables.

In the same way, post-Melissa, strengthening your portfolio means investing in companies with strong balance sheets, steady cash flow, and essential products or services, such as healthcare, consumer staples, and utilities. Diversify across sectors and geographies to reduce vulnerability to localized downturns. Consider investing in fixed-income securities or bonds from strong issuers. These "non-perishable" assets can cushion your portfolio during periods of volatility and help it recover more quickly once market 'storms' pass. This approach builds stability amid uncertainty and sets the stage for future growth.

4. Create an Emergency Plan with a Clear, Flexible Strategy

Individuals prepare evacuation plans; investors need well-defined, adaptable investment strategies. For instance, if the Bank of Jamaica (BOJ) reduces its policy rate, what could be the impact on the economy, and how might this influence the stock or bond markets? Conversely, if there's an upcoming election, what are the economic policies proposed by each party, and how might these be expected to affect economic growth, inflation, or investor sentiment? Once the election results are declared, monitoring the implemented policies can help you

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adjust your investments in alignment with your initial pre-assessments.

Additionally, your emergency plan should include determining your risk tolerance levels, establishing specific criteria for rebalancing or taking profits, and preparing contingencies for adverse market conditions. A well-structured investment plan helps you stay proactive rather than reactive during market turbulence. It guards against emotional decision-making and keeps your long-term financial goals on track, even amid short-term volatility.

5. Maintain Liquidity — Your Portfolio’s Emergency Fuel

During the hurricane, countless

households were plunged into darkness, leaving families disconnected and unable to reach loved ones because their devices couldn’t be charged. Without power, preserving food also became a challenge. These experiences taught many the value of preparedness—keeping devices fully charged, owning a power bank, or even investing in solar panels to maintain essential power during crises.

In the world of investing, this lesson translates directly to the importance of liquidity. Just as electricity is the lifeline during a storm, liquidity—cash or easily tradable assets—serves as the “fuel” for your portfolio. It gives you the ability to act swiftly when markets shift, seize opportunities

during downturns, or meet unexpected financial needs without being forced to sell long-term investments at the wrong time. Liquidity, paired with decisiveness, creates resilience. It ensures your portfolio remains flexible, capable of weathering volatility, and positioned to thrive during recovery and beyond. In short, liquidity isn’t just a safety net—it’s the power source that keeps your financial strategy running when conditions get rough.

6. Look Ahead—Rebuild Smarter and Seize Opportunities

Melissa’s aftermath marks a turning point toward sustainable, climate-resilient investment. The rebuilding phase embraces innovative infrastructure like solar micro-grids and

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greener materials, reflecting global trends in climate readiness. Investors should incorporate adaptability, climate awareness, and leverage technology into their strategies to achieve sustainable success. Market disruptions often clear the path for innovation and new growth, so preparation should be viewed

not only as protection but as positioning for profitability.

The passage of Hurricane Melissa has reshaped Jamaica's economic and market landscape, but preparation remains a universal imperative. Whether facing natural disasters, economic shifts, or

market volatility, the core principles endure—assess and learn, stay informed, reinforce foundations, remain flexible and preserve liquidity, and look ahead to opportunities. By embedding these practices into your portfolio strategy, as an investor, you protect your wealth while unlocking growth and long-term profitability.