



UNIT TRUST FUND PERFORMANCE

**GLOBAL INCOME PORTFOLIO, GLOBAL INCOME PLUS PORTFOLIO,
GLOBAL INCOME MAX PORTFOLIO, CLASSIC INCOME PORTFOLIO, CLASSIC
EQUITY GROWTH PORTFOLIO, CLASSIC PROPERTY PORTFOLIO, GLOBAL
EQUITY GROWTH PORTFOLIO, CLASSIC PROTECTOR PORTFOLIO**

Quarter ended December 31, 2020



GLOBAL INCOME PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Global Income Portfolio is a United States Dollar denominated portfolio primarily comprising sovereign and corporate bonds from Caricom, USA, Canada and Europe, maturing in the short term.



Investment Objective

The fundamental investment objective of the VMWealth Global Income Portfolio is to provide income and capital growth over the short term by investing primarily in USD bonds issued by sovereigns and corporates across the Caribbean, USA, Canada and Europe.



Suitability

The VMWealth Global Income Portfolio is suitable for investors who have a conservative risk appetite.



Asset Class

Fixed Income



Benchmark

Adjusted Money Market Return

Risk Profile



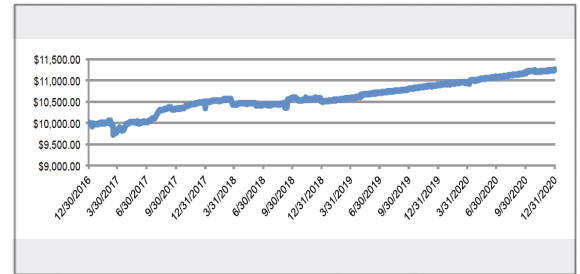
Portfolio Performance

(as at December 31, 2020)

	GLOBAL INCOME	MONEY MARKET
Net Asset Value Per Share (NAVPS)	1.1010	
12-Month Growth Rate	3.32%	3.23%
Year-to-Date Growth Rate	3.32%	3.23%

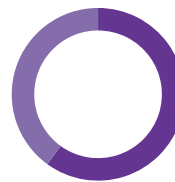
Growth of \$10,000

Global Income Portfolio Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Portfolio
AIC Barbados (Oct) 2020	21.12
NCB 2022	11.87
SJPC 2032	7.60
AIC Barbados (May) 2023	6.12
AIC Barbados (May) 2021	4.55
Total of Top 5 Holdings	52.26
Total Number of Holdings	10



Country Exposure

Country	% of Portfolio
Jamaica	57.50
Barbados	42.50
Total	100.00



Maturity Distribution

Maturity	% of Portfolio
0 - 1 Years	48.09
1 - 3 Years	44.31
>3 Years	7.60
Total	100.00



GLOBAL INCOME PLUS PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Global Income Plus Fund Portfolio is a United States Dollar denominated portfolio primarily comprising medium term sovereign and corporate bonds from Caricom, USA, Canada and Europe.



Investment Objective

The fundamental investment objective of the VMWealth Global Income Plus Portfolio is to provide capital growth over the medium term by investing primarily in USD bonds issued by sovereigns and corporates across the Caribbean, USA, Canada and Europe.



Suitability

The VMWealth Global Income Plus Portfolio is suitable for investors who have a moderate risk appetite.



Asset Class

Fixed Income



Benchmark

JSE Caribbean Investment Grade Index

Risk Profile



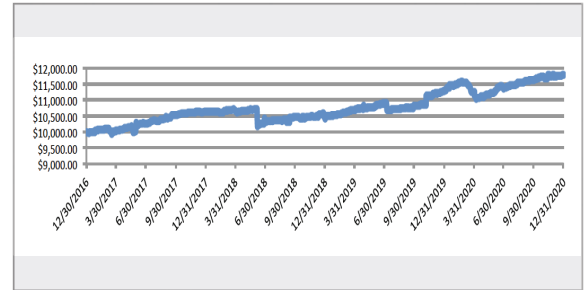
Portfolio Performance

(as at December 31, 2020)

	GLOBAL INCOME PLUS	JSE CARI. IG INDEX
Net Asset Value Per Share (NAVPS)	1.1289	
12-Month Growth Rate	4.36%	2.95%
Year-to-Date Growth Rate	4.36%	2.95%

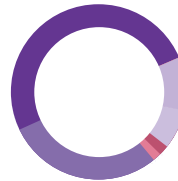
Growth of \$10,000

Global Income Plus Portfolio Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Portfolio
SJPC 2032	12.27
NCBFG 2022	10.65
Unicomer 2024	8.59
AIC Barbados (May) 2021	6.55
AIC Barbados (Oct) 2023	5.48
Total of Top 5 Holdings	43.54
Total Number of Holdings	15



Country Exposure

Country	% of Portfolio
Jamaica	54.18
Barbados	21.28
Trinidad & Tobago	8.92
El Salvador	8.59
Dominican Republic	2.64
Bahamas	4.39
Total	100.00



Maturity Distribution

Maturity	% of Portfolio
0 - 1 Years	50.27
1 - 5 Years	41.21
>5 Years	8.52
Total	100.00

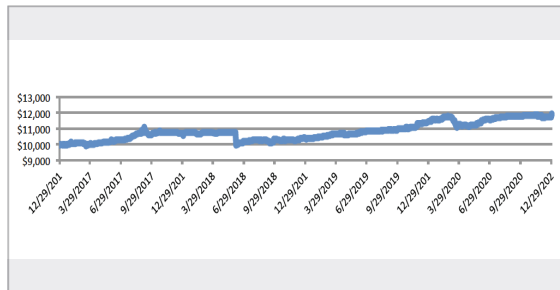


GLOBAL INCOME MAX PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Growth of \$10,000

Global Income Max Portfolio Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Portfolio
SJPC 2032	13.24
Unicomer 2024	11.38
NCB 2022	7.55
Niquan 2021	7.11
Jaman 2028	5.40
Total of Top 5 Holdings	44.67
Total Number of Holdings	20

Portfolio Description

The VM Wealth Global Income Max Portfolio is a long-term portfolio denominated in United States Dollar and primarily comprising sovereign and corporate bonds from the USA, Europe and Caricom.



Investment Objective

The fundamental investment objective of the VMWealth Global Income Max Portfolio is to provide capital growth over the long term by investing primarily in USD bonds issued by sovereigns and corporates across the Caribbean, USA, Canada and Europe.



Suitability

Investors who have an aggressive risk appetite and are looking for attractive returns over the long term should invest in this Portfolio.



Asset Class

Fixed Income



Benchmark

JSE Caribbean Investment Grade Index

Risk Profile

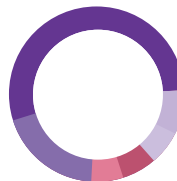


Portfolio Performance

(as at December 31, 2020)

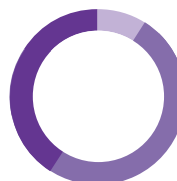
	GLOBAL INCOME MAX	JSE CARI. IG INDEX
Net Asset Value Per Share (NAVPS)	1.1485	
12-Month Growth Rate	3.97%	3.51%
Year-to-Date Growth Rate	3.97%	3.51%

Country Exposure



Country	% of Portfolio
Jamaica	61.88
Barbados	8.48
Trinidad & Tobago	12.84
El Salvador	11.138
Dominican Republic	0.32
Bahamas	5.10
Total	100.00

Maturity Distribution



Maturity	% of Fund
0 - 1 Years	41.20
1 - 7 Years	50.94
>7 Years	7.86
Total	100.00



CLASSIC INCOME PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Classic Income Portfolio is a JMD denominated portfolio comprising Government of Jamaica and corporate bonds.



Investment Objective

The fundamental investment objective of the VM Wealth Classic Income Portfolio is to provide investors with income over the short term.



Suitability

The VM Wealth Classic Income Portfolio is suitable for investors who have a moderate risk appetite and are concerned about security of principal.



Asset Class

Fixed Income



Benchmark

Treasury Bill Yield

Risk Profile



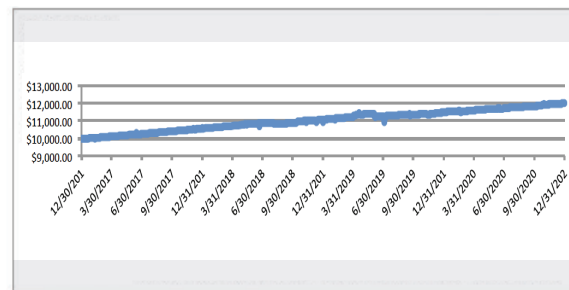
Portfolio Performance

(as at December 31, 2020)

	CLASSIC INCOME PORTFOLIO	TREASURY BILL YIELD
Net Asset Value Per Share (NAVPS)	1.2223	
12-Month Growth Rate	4.54%	1.28%
Year-to-Date Growth Rate	4.54%	1.28%

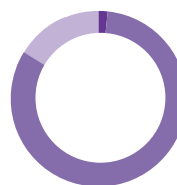
Growth of \$10,000

Classic Income Portfolio Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Portfolio
AICB (July) 2021	13.12
VMIL 2023	12.60
Crissa's Ltd 2033	10.95
138 SL Inv 2026	9.54
Mayberry Inv. Ltd. Margin	8.38
Total of Top 5 Holdings	54.58
Total Number of Holdings	16



Exposure

Asset Class	% of Portfolio
Government of Jamaica	3.78
Corporate	82.36
Cash & Equivalents	13.87
Total	100.00



Maturity Distribution

Maturity	% of Portfolio
<1 Year	36.04
1 - 7 Years	51.28
>7 Years	12.68
Total	100.00



CLASSIC EQUITY GROWTH PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Classic Equity Growth Portfolio is managed with the aim of providing investors with a diversified mix of equity securities of companies domiciled in Jamaica and internationally. The Portfolio Managers seek to identify and acquire investment instruments with attractive potential returns while mitigating attendant risks.



Investment Objective

The fundamental investment objective of the VM Wealth Classic Equity Growth Portfolio is to provide investors with capital appreciation over the medium to long-term.



Suitability

The VM Wealth Classic Equity Growth Portfolio is suitable for investors who are seeking a well-diversified portfolio of stocks to optimize medium to long-term growth and capital appreciation and are willing to accept medium to high levels of risk.



Asset Class

Equity



Benchmark

JSE Select Index

Risk Profile



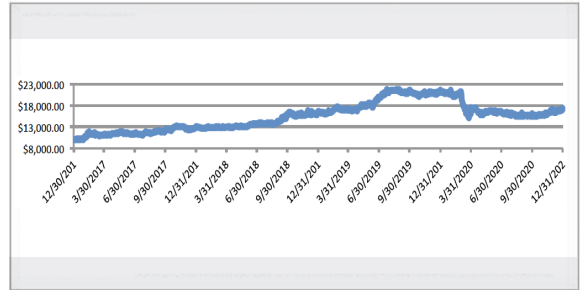
Portfolio Performance

(as at December 31, 2020)

	EQUITY PORTFOLIO	JSE SELECT
Net Asset Value Per Share (NAVPS)	1.9957	
12-Month Growth Rate	-20.06%	-25.43%
Year-to-Date Growth Rate	-20.06%	-25.43%

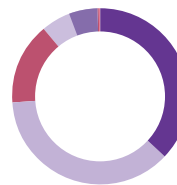
Growth of \$10,000

Classic Equity Growth Portfolio Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Portfolio
Caribbean Cement	10.27
JMMB Group Limited	10.22
PANJAM Investment Limited	9.62
NCB Financial Group Limited	9.36
Seprod	8.80
Total of Top 5 Holdings	48.28
Total Number of Holdings	41



Industry Distribution

Industry	% of Portfolio
Finance	41.49
Conglomerates	1.75
Manufacturing	35.99
Retail Trade	2.11
Other	18.18
Insurance	0.25
Tourism	0.04
Communication	0.19
Total	100.00



CLASSIC PROPERTY PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Classic Property Portfolio seeks to invest primarily in real estate



Investment Objective

The investment objective of the VMWealth Classic Property Portfolio is to strategically invest in the various segments of the real estate market to maximize rental income and capital appreciation over the medium term.



Suitability

The VMWealth Classic Property Portfolio is suitable for investors who have a moderate risk appetite.



Asset Class

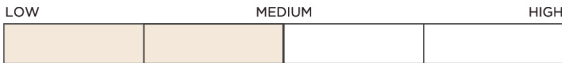
Real Estate



Benchmark

Inflation

Risk Profile



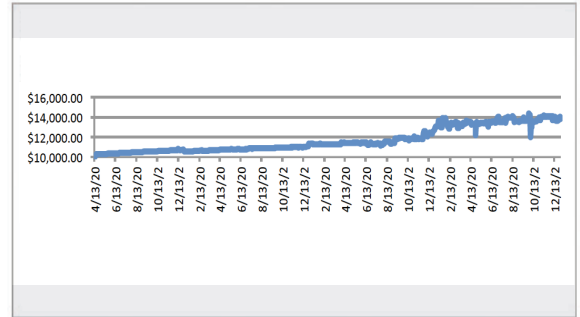
Portfolio Performance

(as at December 31, 2020)

	PROPERTY PORTFOLIO	INFLATION
Net Asset Value Per Share (NAVPS)	1.3858	
12-Month Growth Rate	7.42%	5.00%
Year-to-Date Growth Rate	7.42%	5.00%

Growth of \$10,000

Classic Property Portfolio Historical Performance



Portfolio Allocation

Industry	% of Portfolio
Real Estate	43.62
Equity	27.26
Fixed Income	13.53
Cash	0.34
Repo	15.25
Total	100.00



GLOBAL EQUITY GROWTH PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Global Equity Growth Portfolio invests primarily in equity investments of developed markets.



Investment Objective

The fundamental investment objective of the VMWealth Global Equity Growth Portfolio is to strategically invest in the equity indices of developed markets to track the performance of the broader markets, earning capital appreciation over the medium-term.



Suitability

The VMWealth Global Equity Growth Portfolio is suitable for investors who are seeking a well-diversified portfolio of stocks to optimize medium to long-term growth and capital appreciation and have an aggressive risk appetite.



Asset Class

Equity



Benchmark

S&P 500

Risk Profile



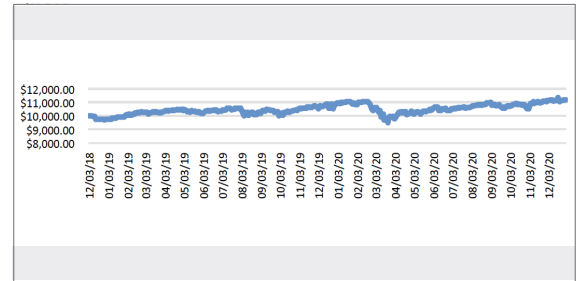
Portfolio Performance

(as at December 31, 2020)

	EQUITY PORTFOLIO	S&P 500
Net Asset Value Per Share (NAVPS)	1.1160	
12-Month Growth Rate	2.79%	16.26%
Year-to-Date Growth Rate	2.79%	16.26%

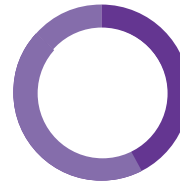
Growth of \$10,000

Global Equity Growth Portfolio Historical Performance



Top Holdings

Top Holdings	% of Portfolio
SPDR S&P 500 ETF Trust	42.05
Total of Top Holdings	42.05
Total Number of Holdings	1



Exposure

Asset Class	% of Holdings
Equities	42.05
Cash & Cash Equivalents	57.95
Total	100.00



CLASSIC PROTECTOR PORTFOLIO

QUARTER ENDED DECEMBER 31, 2020

Portfolio Description

The VM Wealth Classic Protector Portfolio invests primarily in short-term money market securities.



Investment Objective

The fundamental investment objective of the VM Wealth Classic Protector Portfolio is to invest in short-term liquid securities towards minimizing the risk of capital loss.



Suitability

The VM Wealth Classic Protector Portfolio is suitable for investors who have a low risk appetite and are concerned about preservation of principal.



Asset Class

Fixed Income



Benchmark

6-month Weighted Average Treasury Bill

Risk Profile



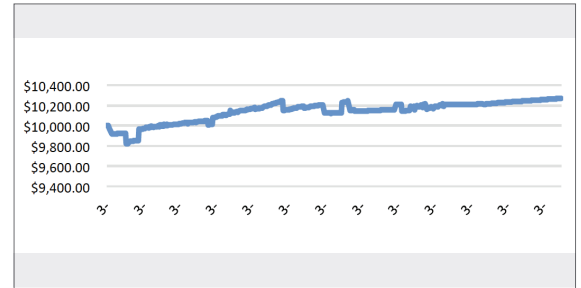
Portfolio Performance

(as at December 31, 2020)

	PROTECTOR	6M WATBY
Net Asset Value Per Share (NAVPS)	1.0268	
12-Month Growth Rate	0.39%	1.28%
Year-to-Date Growth Rate	0.39%	1.28%

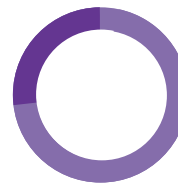
Growth of \$10,000

Classic Protector Portfolio Historical Performance



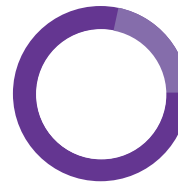
Top Holdings

Top Holdings	% of Portfolio
VMIL 2023	23.30
Total of Top Holdings	23.30
Total Number of Holdings	1



Exposure

Asset Class	% of Portfolio
Corporate	29.12
Cash & Equivalents	70.88
Total	100.00



Maturity Distribution

Maturity	% of Portfolio
<=1 Year	70.88
>1 Year	29.12
Total	100.00

Fund Commentary

Global Income Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.1010, up by \$0.0078 or 0.78% for the quarter. The portfolio continues to benefit from having exposure to locally issued corporate bonds of high credit quality. For the calendar year, the portfolio beat its benchmark by 0.10% and is well poised to continue this trend in the new year given pending maturities and liquidity reserves.

Global Income Plus Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.1289, up by \$0.0146 or 1.31% for the quarter. The portfolio beat its benchmark return by 1.40% for the calendar year. The mix of high quality local corporate bonds and the continued rebound of global bond prices in the fourth quarter, were the main drivers for the increase in the NAV price. The search for yield will begin in earnest this year as global bond yields have fallen to all-time lows due to high levels of USD liquidity in global markets.

Global Income Max Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.1485, up by \$0.014 or 1.23% for the quarter. The portfolio beat its benchmark by 0.50% for the year. Global bond prices continued the rebound that started in the second quarter, as the announcement of a Covid vaccine and abundant USD liquidity drove investors search for yield. The portfolio shored up liquidity during the quarter and will look to gradually take positions in undervalued local and global bonds over the course of the next quarter.

Classic Income Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.2223, up \$0.0165 or 1.37% for the quarter. The portfolio outperformed its benchmark by 3.30% for the year primarily because it is invested in high quality corporate bonds. GOJ rates are likely to remain low for the medium term hence the portfolio will continue to focus on corporates to produce above benchmark returns.

Classic Equity Growth Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.8557, up \$0.14 or 7.54% for the quarter. The overall market was positive for the quarter as investors gradually returned to the market and took advantage of the lower valuations created by the pandemic. This was not enough to reverse the overall losses for the year with the JSE posting a negative return for the first time in over 5 years. The expectation is that we will see gradual improvement in the market as the Covid vaccine gets distributed and businesses slowly return to normalcy.

Classic Property Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.3858, down -\$0.05 or 3.50% for the quarter. The portfolio outperformed its benchmark by 2.42%. While there were challenges for the quarter, namely the decline in performance of shares held in real estate focused companies, the portfolio is well poised for further growth as the diversity of real properties continues to increase.

Global Equity Growth Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.1160, up by \$0.043 or 4.01% for the quarter. The International Equity Portfolio is strategically invested in the SPY ETF that tracks the S&P 500 large cap index. The S&P 500 reversed all the ground lost in the first quarter driven largely by extraordinary liquidity support from the Federal Reserve. The portfolio is liquid and will be looking to take advantage of opportunities in the market over the course of the next quarter, which should result in an improved performance.

Classic Protector Portfolio

The NAV per share on this portfolio as at December 31, 2020 was \$1.0231, up \$0.0037 or 0.36% for the quarter. This portfolio underperformed by 0.90% but outperformed as the year progressed as more corporate bonds were added. Given the low interest rate environment the portfolio will continue to focus on investing in high quality local corporate bonds.

Economic Commentary

Global growth momentum slowed in Q4, but we are slightly more bullish for 2021. There are still downside risks such as the lack of efficacy of targeted virus control measures and issues with the COVID-19 vaccines, which could prompt a fresh wave of stress in financial markets and a longer-lasting negative wealth and confidence shock. This could depress consumer demand and lead to a prolonged period of below-trend economic activity. In fact, economic activity is still below pre-COVID levels and is not expected to return to or surpass those levels for at least a couple more years. Nevertheless, a number of sectors have gained some stability recently and are no longer in the “negative outlook” sphere. Slower roll-out of the vaccines within Latin America, including Jamaica, should limit the recoveries in this region.

The IMF’s World Economic Outlook estimates the rate of global economic growth at -4.4% for 2020, followed by a 5.2% recovery in 2021 (5.3% Fitch forecast) – less severe than the 2020 forecast in June, but also a lower recovery rate for this year. After a year absorbed by the pandemic and politics, 2021 is expected to be more about the restart and revival of the global economy. The road to recovery remains uncertain, but businesses and households can now better plan, as there is more clarity on how we progress to the other side of this health crisis. The second wave of the virus has prompted renewed national lockdowns in Europe and tighter restrictions in the US. This will compress economic activity in the near term, but not to the scale of the shock of 2020. The vaccine roll-out increases the likelihood of an easing of the global health crisis by mid-2021.

The consensus is currently for 3.8% GDP growth in the US for 2021, although it could surprise to the upside if a large proportion of the population is vaccinated by the summer and many developed and emerging market countries by year-end, among other factors, which would need to fall into place, including the effective implementation of policies and actions by

President-elect Biden and his incoming administration. Geopolitical tensions and policy uncertainties continue but may decline as the world focuses on the healing and revival of the global economy.

Locally, the Planning Institute of Jamaica (PIOJ) has revised its projection for an economic decline in the current fiscal year 2020/21 from 8%-10% to 9%-11%, taking into consideration the recent flooding that negatively affected agricultural production and road and housing infrastructure. Economic recovery could be as long as 2-4 years and employment within 1-3 years. Even as economies recover, both monetary & fiscal policies are expected to remain accommodative. The one exception may be China. Yields are expected to stay low and risky assets may continue to rally. The interest in real estate should continue globally and locally as low interest rates make investment in this asset class more accessible.

On the monetary side, it is expected that policy will remain accommodative, and that interest rates will remain at historic lows until a recovery becomes evident. Monetary policy has been accommodative and is expected to remain so.

The vaccines are potential game changers, but the degree to which they will change the game is a factor of their efficacy and acceptance. Even without the vaccines, businesses and consumers are learning to operate within the new normal and, outside another unexpected shock, activities are returning to normal. Additionally, it may take some time for the vaccines to be rolled out in a meaningful way in Jamaica. As such, containment measures already in place may extend for some time. Nevertheless, as the population continues to be accustomed to operating in this way, the new way of doing business will become entrenched and no longer seem foreign.

Business is expected to pick up and businesses to pursue opportunities more aggressively in 2021, not only

because the environment is friendlier but also to make up ground lost in 2020. Leveraging technology will be more widespread than ever and businesses and individuals are likely to make investments in this area. Businesses may also rationalize how they utilize office and operating space, which may result in a reduction in occupancies initially, but this may recover over the medium to longer term as businesses expand and find new avenues to venture down.

With much of the uncertainty surrounding the pandemic behind us, it is likely that companies will be seeking to once again make use of the capital markets for their funding needs. Given the success of many of the recent offerings, even whilst so much was still unknown, as well as the high levels of liquidity available and seeking yields, we may see a more active primary market this year. There should be many opportunities for investment. At the same time, we are still in the pandemic, with the second wave firmly taking hold with new strains of the virus emerging. The more vulnerable companies may find it difficult to survive in the current climate. As such, stock selection will be more important than ever. Investors will need to remain vigilant to the changing fortunes of their investments and nimble to act early, both to take advantage of opportunities, as well as to jump ship, should the need arise.



Contact a VM Wealth Advisor today!

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