



UNIT TRUST FUND PERFORMANCE

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

Quarter ended September 30, 2020



GLOBAL INCOME FUND

QUARTER ENDED SEPTEMBER 30, 2020

Fund Description

The VM Wealth Global Income Fund 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 Fund 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 Fund is suitable for investors who have a conservative risk appetite.



Asset Class

Fixed Income



Benchmark

Adjusted Money Market Return

Risk Profile



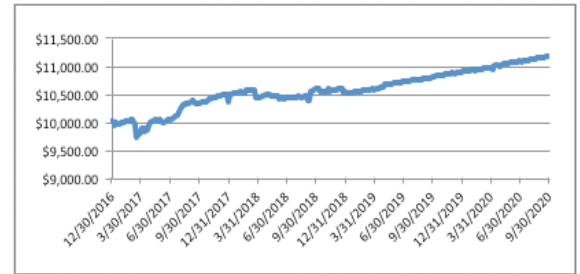
Fund Performance

(as at September 30, 2020)

	GLOBAL INCOME	MONEY MARKET
Net Asset Value Per Share (NAVPS)	1.0932	
12-Month Growth Rate	3.39%	3.50%
Year-to-Date Growth Rate	2.59%	2.63%

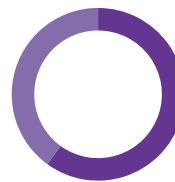
Growth of \$10,000

Global Income Fund | Historical Performance



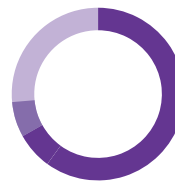
Top 5 Holdings

Top 5 Holdings	% of Fund
AIC Barbados (Oct) 2020	22.25
NCB 2022	13.37
SJPC 2032	7.89
AIC Barbados (May) 2023	6.36
AIC Barbados (May) 2021	4.73
Total of Top 5 Holdings	54.62
Total Number of Holdings	9



Country Exposure

Country	% of Fund
Jamaica	55.52
Barbados	44.48
Total	100.00



Maturity Distribution

Maturity	% of Fund
0 - 1 Years	65.74
1 - 3 Years	26.36
>3 Years	7.89
Total	100.00



GLOBAL INCOME PLUS FUND

QUARTER ENDED SEPTEMBER 30, 2020

Fund Description

The VM Wealth Global Income Plus Fund 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 Fund 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 Fund is suitable for investors who have a moderate risk appetite.



Asset Class

Fixed Income



Benchmark

JSE Caribbean Investment Grade Index

Risk Profile



Fund Performance

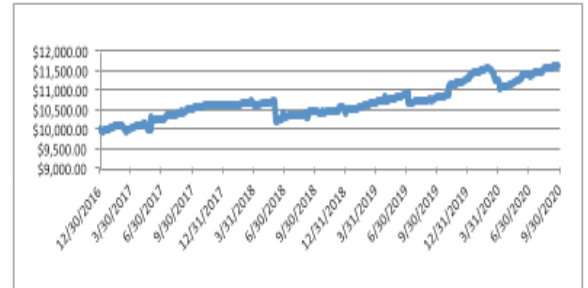
(as at September 30, 2020)

	GLOBAL INCOME PLUS	JSE CARI. IG INDEX
Net Asset Value Per Share (NAVPS)	1.1143	
12-Month Growth Rate	7.54%	-1.27%
Year-to-Date Growth Rate	3.00%	-2.51%

Growth of \$10,000

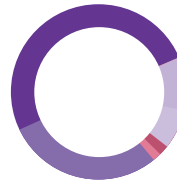
Global Income Fund Plus

Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Fund
SJPC 2032	12.75
NCBFG 2022	8.67
Unicomer 2024	8.18
AIC Barbados (Oct) 2020	7.26
AIC Barbados May 2021	6.80
Total of Top 5 Holdings	43.67
Total Number of Holdings	17



Country Exposure

Country	% of Fund
Jamaica	50.16
Barbados	27.72
Trinidad & Tobago	9.14
El Salvador	8.18
Dominican Republic	2.97
Bahamas	1.83
Total	100.00



Maturity Distribution

Maturity	% of Fund
0 - 1 Years	48.45
1 - 5 Years	39.64
>5 Years	11.90
Total	100.00



GLOBAL INCOME MAX FUND

QUARTER ENDED SEPTEMBER 30, 2020

Fund Description

The VM Wealth Global Income Max Fund 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 Fund 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 Fund.



Asset Class

Fixed Income



Benchmark

JSE Caribbean Investment Grade Index

Risk Profile



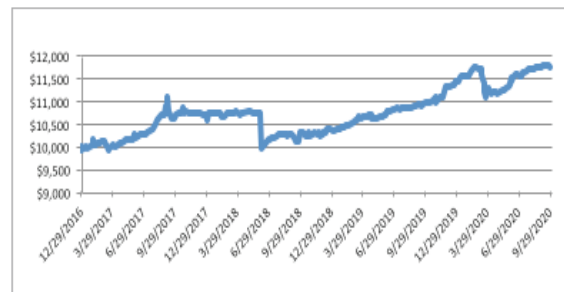
Fund Performance

(as at September 30, 2020)

	GLOBAL INCOME MAX	JSE CARI. IG INDEX
Net Asset Value Per Share (NAVPS)	1.1345	
12-Month Growth Rate	7.22%	-1.27%
Year-to-Date Growth Rate	2.70%	-2.62%

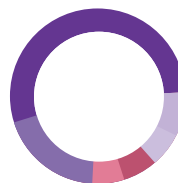
Growth of \$10,000

Global Income Max Fund Historical Performance



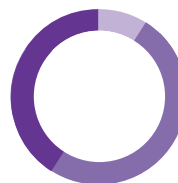
Top 5 Holdings

Top 5 Holdings	% of Fund
SJPC 2032	13.13
Unicomer 2024	10.34
Jaman 2028	9.91
Niquan 2021	7.05
NCBFG	5.88
Total of Top 5 Holdings	46.30
Total Number of Holdings	18



Country Exposure

Country	% of Fund
Jamaica	63.17
Barbados	11.35
Trinidad & Tobago	12.51
El Salvador	10.34
Dominican Republic	0.35
Bahamas	2.28
Total	100.00



Maturity Distribution

Maturity	% of Fund
0 - 1 Years	42.10
1 - 7 Years	50.00
>7 Years	7.90
Total	100.00



Fund Description

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



Investment Objective

The fundamental investment objective of the VMWealth Classic Income Fund is to provide investors with income over the short term.



Suitability

The VMWealth Classic Income Fund 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



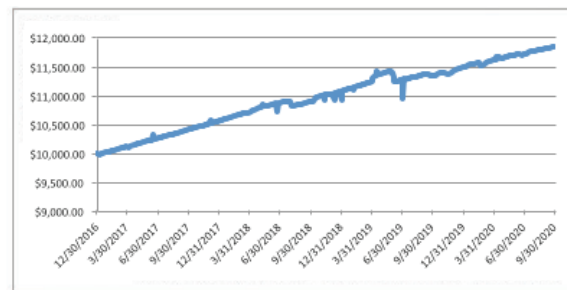
Fund Performance

(as at September 30, 2020)

	CLASSIC INCOME FUND	TREASURY BILL YIELD
Net Asset Value Per Share (NAVPS)	1.2058	
12-Month Growth Rate	4.33%	1.33%
Year-to-Date Growth Rate	3.12%	1.33%

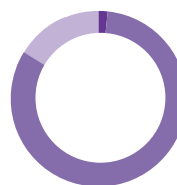
Growth of \$10,000

Classic Income Fund Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Fund
VMIL 2023	11.36
Crissa's Ltd 2033	9.85
138 SL Inv 2026	8.61
AIC Barbados (July) 2021	7.87
Mayberry Investment Ltd	7.56
Total of Top 5 Holdings	45.25
Total Number of Holdings	17



Exposure

Asset Class	% of Fund
Government of Jamaica	1.30
Corporate	83.38
Cash & Equivalents	15.32
Total	100.00



Maturity Distribution

Maturity	% of Fund
<1 Year	31.36
1 - 7 Years	57.23
>7 Years	11.42
Total	100.00



CLASSIC EQUITY GROWTH FUND

QUARTER ENDED SEPTEMBER 30, 2020

Fund Description

The VM Wealth Classic Equity Growth Fund 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 Fund is to provide investors with capital appreciation over the medium to long-term.



Suitability

The VM Wealth Classic Equity Growth Fund 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



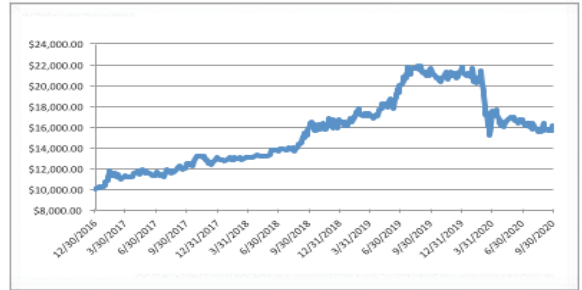
Fund Performance

(as at September 30, 2020)

	EQUITY FUND	JSE SELECT
Net Asset Value Per Share (NAVPS)	1.8557	
12-Month Growth Rate	-25.40%	-31.52%
Year-to-Date Growth Rate	-25.67%	-29.68%

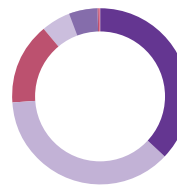
Growth of \$10,000

Classic Equity Growth Fund Historical Performance



Top 5 Holdings

Top 5 Holdings	% of Fund
PANJAM Investment Limited	9.47
JMMB Group Limited	8.55
NCB Financial Group Limited	8.55
Caribbean Cement	7.96
Seprod Group Limited	7.72
Total of Top 5 Holdings	42.52
Total Number of Holdings	38



Industry Distribution

Industry	% of Fund
Finance	45.80
Conglomerates	3.18
Manufacturing	32.19
Retail Trade	1.79
Other	16.75
Insurance	0.26
Tourism	0.03
Communication	0.00
Total	100.00



Fund Description

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



Investment Objective

The investment objective of the VMWealth Classic Property Fund 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 Fund is suitable for investors who have a moderate risk appetite.



Asset Class

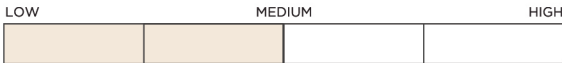
Real Estate



Benchmark

Inflation

Risk Profile



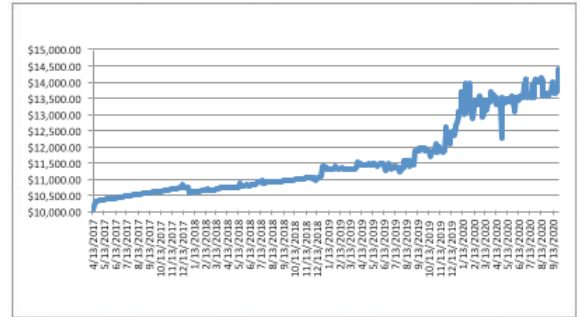
Fund Performance

(as at September 30, 2020)

	PROPERTY FUND	INFLATION
Net Asset Value Per Share (NAVPS)	1.4361	
12-Month Growth Rate	20.46%	5.34%
Year-to-Date Growth Rate	11.31%	3.40%

Growth of \$10,000

Classic Property Fund | Historical Performance



Fund Allocation

Industry	% of Fund
Real Estate	57.63
Equity	31.37
Fixed Income	9.39
Cash	0.51
Repo	1.09
Total	100.00



GLOBAL EQUITY GROWTH FUND

QUARTER ENDED SEPTEMBER 30, 2020

Fund Description

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



Investment Objective

The fundamental investment objective of the VMWealth Global Equity Growth Fund 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 Fund 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

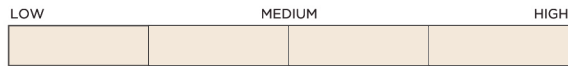
Equity



Benchmark

S&P 500

Risk Profile



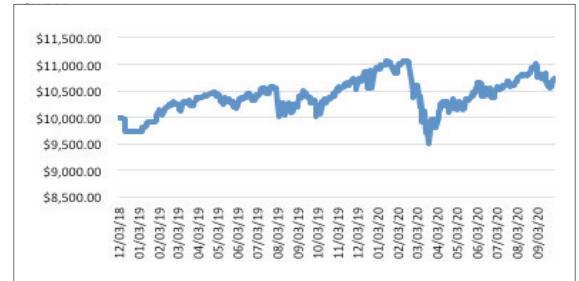
Fund Performance

(as at September 30, 2020)

	EQUITY FUND	S&P 500
Net Asset Value Per Share (NAVPS)	1.0730	
12-Month Growth Rate	4.81%	14.59%
Year-to-Date Growth Rate	-1.17%	4.64%

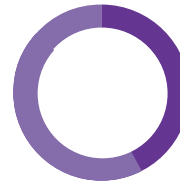
Growth of \$10,000

Global Equity Growth Fund Historical Performance



Top Holdings

Top Holdings	% of Fund
SPDR S&P 500 ETF Trust	41.96
Total of Top Holdings	41.96
Total Number of Holdings	1



Exposure

Asset Class	% of Holdings
Equities	41.96
Cash & Cash Equivalents	58.04
Total	100.00



CLASSIC PROTECTOR FUND

QUARTER ENDED SEPTEMBER 30, 2020

Fund Description

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



Investment Objective

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



Suitability

The VM Wealth Classic Protector Fund 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



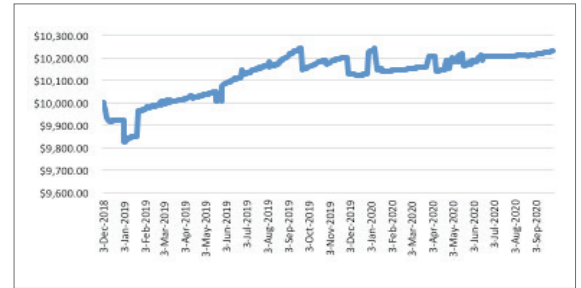
Fund Performance

(as at September 30, 2020)

	PROTECTOR	6M WATBY
Net Asset Value Per Share (NAVPS)	1.0231	
12-Month Growth Rate	0.74%	1.33%
Year-to-Date Growth Rate	0.03%	1.33%

Growth of \$10,000

Classic Protector Fund Historical Performance



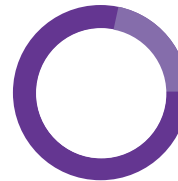
Top Holdings

Top Holdings	% of Fund
VMIL 2020	34.69
Total of Top Holdings	34.69
Total Number of Holdings	3



Exposure

Asset Class	% of Fund
Corporate	56.36
Cash & Equivalents	43.64
Total	100.00



Maturity Distribution

Maturity	% of Fund
<=1 Year	78.32
>1 Year	21.68
Total	100.00

Fund Commentary

Global Income Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.0932, up by \$0.0099 or 0.91% for the quarter. The portfolio continues to benefit from having exposure to locally issued corporate bonds of high credit quality. There is adequate liquidity within the portfolio to take advantage of any opportunities that may arise during the last quarter, as U.S. elections and the continued issues around Covid will continue to dominate investment outcomes.

Global Income Plus Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.1143, up by \$0.0238 or 2.18% for the quarter. The mix of high quality local corporate bonds and the continued rebound of global bond prices in the third quarter, were the main factors for the increase in the NAV price. While there are expectations for further volatility in asset prices, the portfolio has shored up its liquidity and is poised to take advantage of any dislocations that may arise out of the continued Covid crisis and the U.S. elections.

Global Income Max Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.1345, up by \$0.0221 or 1.987% for the quarter. Global bond prices continued the rebound that started in the second quarter into the third quarter, even as Covid infections had a resurgence towards the end of the quarter. While there are expectations for further volatility in asset prices, the portfolio has shored up its liquidity and is poised to take advantage of any dislocations that may arise out of the continued Covid crisis and the U.S. elections.

Classic Income Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.2058, up \$0.0135 or 1.13% for the quarter. Given the lower rates on GOJ bonds the portfolio is primarily invested in corporate bonds. While the GOJ has been more active in the debt market over the course of the last few months, the high level of JMD liquidity has resulted in some of the lowest rates in the country's

history. We expect this to continue for the immediate future and as such will look to corporate bonds to boost returns.

Classic Equity Growth Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.8557, down -\$0.0692 or -3.59% for the quarter. The JSE reversed some of the gains of the second quarter as the outlook for a swift resolution to the Covid crisis dissipated. The outlook is for the market to remain depressed for the rest of this year unless there is a significant breakthrough in Covid treatment. We remain vigilant in seeking out opportunities in other asset classes to try to boost portfolio returns.

Classic Property Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.4361, up \$0.0422 or 3.03% for the quarter. While there were challenges for the quarter, the portfolio performance was largely driven the addition of new commercial buildings and a rebound in shares held in real estate focused companies. We continue to be mindful of the dislocations caused by Covid-19 in the economy so we continue to be vigilant and proactive in managing the risks associated with our property holdings.

Global Equity Growth Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.073, up by \$0.0347 or 3.34% for the quarter. The International Equity Fund 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 Fund

The NAV per share on this portfolio as at September 30, 2020 was \$1.0231, up \$0.002 or 0.20% for the quarter. This portfolio is invested in primarily short-term bonds and reverse repurchase agreements with enough liquidity to take advantage of any opportunities.

Economic Commentary

On September 3rd, general elections were held locally with voters going to their respective polling stations in unprecedented circumstances, delivering a victory for the Andrew Holness with the JLP capturing 48 seats, compared to only 15 for the PNP. Amidst the overwhelming majority captured by the JLP we are likely to see a relatively smooth path to policy and agenda execution in the face of the developing health and economic crisis.

The economic backdrop remains bleak as real GDP declined 18% during the April-June 2020 quarter, having been impacted by reduced economic activity and the implementation of measures to manage the COVID-19 pandemic. The Service Industries were the main contributor primarily due to the drastic decline in the Hotel & Restaurants industry by an estimated 87.5% due to the sharp decline in visitor arrivals and the number of persons utilizing restaurant services. The Goods Producing Industry contracted mainly due to the Mining & Quarrying sector being dogged by the temporary closure of the Alpart Alumina refinery, which is being upgraded. Additionally, the industry was impacted by drought conditions which adversely impacted agriculture production and the measures implemented to contain the spread of the COVID-19 pandemic.

With COVID-19 significantly impacting the economy causing significant declines across almost all sectors, it anticipated that the impact will continue to be felt for the remainder of the year. The PIOJ is projecting that real GDP will contract within the range of 8.0% to 10.0% for the remainder of the fiscal year. Also, it is projected that we will continue to be impacted by lower than anticipated global growth with our trading partners, adverse weather conditions and spike in coronavirus cases in the island.

This is feeding into business confidence which continued its steady downward trend since the second quarter of 2019, according to a survey undertaken by Market Research Services (MRS) on behalf of the Jamaica Chamber of Commerce (JCC). The Business Confidence Index reported figures of 129.2 and 115.4 in

the first and second quarters of 2020, respectively, falling from 131.3 reported in the fourth quarter of 2019. Optimism about current business conditions was low as firms were doubtful about the existing business conditions. However, they remained positive about future business conditions despite the season of the pandemic. Revenue loss was the most widespread effect of COVID-19 as 68% of firms reported loss in revenue as a change they experienced due to the pandemic outbreak. Nonetheless, 49% of them were optimistic that their business will survive the effects of the pandemic.

On the foreign exchange front, following the depreciation of dollar to its all-time lows at the time in August at a weighted average selling rate (WASR) of J\$150.71:US\$1.00, the BOJ continued its intervention in the market with a flash auction sale on August 18, 2020 and September 1, 2020 in the amounts of USD 30 million and USD 20 million, respectively, to provide liquidity to end-users and stability to the local currency. The Bank restricted the resale of the auction offers to end-users and non-financial clients that needed to fund obligations for goods and services acquired.

While the local stock market has recovered from its year-to-date lows in the first quarter, it has remained in somewhat of a rangebound holding pattern for the quarter, falling 0.91% for the third quarter. However, a number of companies have announced intentions to raise capital to execute on further growth opportunities. One such company, Barita Investments Ltd. raised J\$13.5 Billion recently, with other companies preparing offers. Another, Tropical Battery initiated its IPO in the third quarter, the first to do so on the local market since the inception of the pandemic.

Overseas, the US market saw a continuation of last quarter's rally, with the Dow Jones Industrial Average gained 9.62% over the past 3 months while the NASDAQ rose 12.48% on the back of a lower than anticipated decline in the economy and unemployment. Despite this, Chairman of the Fed, Jerome Powell announced in September that interest rates will be kept at near zero until at least 2023 to stimulate the economy, as inflation below the 2% target, the waning optimism around fiscal stimulus, the health outlook

remains uncertain and the recovery is far from complete. Notwithstanding, other markets around the world also saw a continuation of rallies, with the DAX, Nikkei and S&P/TSX Composite all seeing gains, albeit at a reduced pace. The bond markets while not witnessing the extreme price fluctuations seen in the first quarter of the year, still had a bit of uncertainty surrounding it. Despite this, prices remain elevated.

The oil market saw significant declines in prices due to the contraction in demand caused by the COVID-19 pandemic. Lockdown measures implemented globally reduced fuel consumption drastically and caused sectors such as air transportation to grind to a halt. As restrictions on movement are being lifted by many countries, oil market prices have increased steadily, with West Texas Intermediate (WTI) oil moving to \$40.22 at the end of September coming off the April low of \$11.57. This increase in price has been a result of a cut in supply by the Organisation of Petroleum Exporting Countries (OPEC) and allies, starting at approximately 10 million barrels per day in May 2020. Notwithstanding, OPEC, in its latest monthly oil market report, has revised downward its forecast for world oil demand in 2021, moving from 95.3 million barrels per day to 90.3 million. With new coronavirus outbreaks in Europe and the Americas weighing on demand, there are questions as to how the OPEC+ will balance the potential for further downward price pressure with the capacity to maintain or deepen production cuts.

As the fourth quarter begins, we will be heading into a period of potentially deepening uncertainty leading into the US election as there is concern about issues with the mail-in voting process which may delay the final result of the election. Additionally, due to the significant divide in the policy platform of the two parties, many market participants may elect to stay on the sideline until the dust settles as the path towards stimulus before the election and a vaccine or other long-term remedy to health crisis remains unclear.



Contact a VM Wealth Advisor today!

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