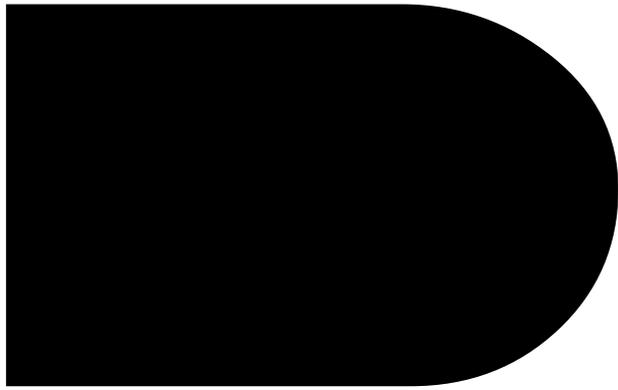


**THE INVESTMENT
MAGAZINE**

by: PROVEN Investments Limited

MARCH 2016 EDITION



MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

PROVEN INVESTMENT LIMITED REPORTS AUDITED FINANCIAL RESULTS

The Board of Directors of PROVEN Investments Limited (“PIL”) is pleased to report its audited financial statements for the year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

US\$2.34 million	—	• Net Profit attributable to shareholders
US\$21 million	—	• Net Revenue
US\$0.0010	—	• Dividends per Share
4.60%	—	• Return on Average Equity
US\$348 million	—	• Consolidated Total Assets
80%	—	• Efficiency Ratio

MARKET OVERVIEW

International

Global economic activity throughout 2015 was subdued which resulted in disappointing growth rate of 3.1%, down from 3.4% in the previous year. Growth is projected to return to 3.4% in 2016, as a modest recovery in advanced economies continues and activity stabilizes among major commodity exporters. Growth in emerging markets and developing economies, while still accounting for over 70 percent of global growth, declined for the fifth consecutive year in 2015.

Throughout the fiscal year ending March 2016, returns in the global credit markets have been poor, especially in the US high yield market which has seen spreads widen considerably due to energy-related stresses. Risk premiums in global bond markets have also remained elevated while the global equity market risk premiums rose considerably in the third quarter of 2015, falling towards the end of the year.

Global stocks delivered essentially flat returns as investor enthusiasm for the U.S. economic recovery was offset by concerns over a sharp slowdown in China and plunging oil prices. Aggressive central bank stimulus measures continued to support markets in Europe and Japan, while the U.S. gradually stepped back from accommodative policies. Emerging markets stocks generally lagged their developed-market counterparts by a wide margin.

Energy fell a further 21% throughout the year as companies continued to lose ground amongst a surplus of crude oil, whose price touched a multiyear-low around \$28 a barrel in late February 2016. Global interest rates were influenced throughout the year by expectations of the U.S. Federal Reserve raising the federal funds rate.

“The only source
of knowledge
is experience.”

Albert Einstein

PROVEN

WEALTH

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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2016

The rate was raised for the first time in nearly a decade at the end of 2015, setting the stage for tighter monetary policy in the years ahead. As a result, the U.S. dollar rose against the euro and most other major currencies during 2015.

In developed economies outside the U.S, Japan turned in one of the year's best performances, with the Nikkei Stock Average generating a total return of 10.63%. Although Japan continues to struggle to ignite its economy, its central bank has embarked on an extraordinarily aggressive quantitative easing program. Also, the European Central Bank (ECB) delivered a significant easing package to bolster its chances of raising inflation back to target and support the recovery.

The underwhelming stock market performance and high levels of market volatility made its way into the beginning of 2016. Thus, at the start of the year, investors were fearful and highly concerned about the health of U.S financial markets and the global economy. This bearish outlook was fuelled by the continued decline in the Energy sector which struggled tremendously as significant declines in oil prices occurred throughout January and February. In addition, bank stocks and Chinese stocks plummeted, as fears that Beijing's economy was on the verge of a meltdown permeated through the markets. The European Central Bank (ECB) and Switzerland retained a negative interest rate policy and for the first time in history the Bank of Japan also pushed borrowing costs into negative territory. Also, the US dollar index declined by 4.2%, its worst quarterly performance in more than five years

The market however regained composure towards the latter part of the quarter for several reasons. In March, as a result of uncertainties for the outlook of the US economy, the Fed lowered its median projected expectation for the pace of further rate rises, following its December increase. Hence, investors' optimism was renewed when Fed Chair Janet Yellen erased fears about the expected pace of increases in interest rates. Instead of four 0.25% increases for 2016, expectations have now been lowered to two. The market also reacted positively to more stimulus that emerged from the European Central Bank during the quarter. Additionally, the oil price rebounded by 40% from a low of \$28 in February encouraged by the possibility of a deal between Saudi Arabia and Russia to control output. As a result, there is a more optimistic forecast for the average price of oil this year.

Regional

The Caribbean economy experienced a difficult year in 2015 mainly as a result of the region's vulnerability to effects of the difficulties taking place in the global economy. The commodity producing countries saw sharp falls in growth. On the other hand, for those economies reliant on tourism, it was a relatively good year.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2016

Falling commodity prices dominated the fortunes of the Region's five major commodity exporters, all of which grew less than in 2014. Trinidad and Tobago has been experiencing a severe deterioration in their fiscal numbers due to their declining energy revenues which has contributed to the low growth cycle and current economic recession. S&P has lowered their long-term foreign and local currency sovereign credit ratings on Trinidad and Tobago from an 'A' to an 'A-'.

Recovery in the regional tourism market continued in 2015. Most destinations saw increases in visitor arrivals, and many saw increases in the more lucrative stayover visitors. Tourism-related construction accompanied these positive trends. The positive impacts of tourism on economic growth was felt most in the smaller, tourism-dependent economies. Grenada, St. Kitts and Nevis and the Turks and Caicos Islands each experienced growth of more than 4%.

Barbados grew by 0.5% despite an impressive increase in total visitor arrivals of nearly 15%. This was due to the low increase in value added from tourism (0.9%), combined with lower output from construction, manufacturing and agriculture, the latter because of drought. The IMF decreased Bahamas' expected economic growth to 1.5% in 2016, which is currently being subdued by persistently high unemployment as well as elevated public and private sector debt levels.

Jamaica recorded an estimated growth of 0.8% for the 2015 calendar year. The growth recorded for the calendar year also reflects a strengthening of performance in the second half of the year, when there was an estimated growth of 1.0%, up from 0.5% in the first half.

The public finances continued to improve under the country's IMF Extended Fund Facility (EFF), and public debt as a share of GDP was reduced to 126% by the end of 2015/16, compared with 146.5% in 2012/13. The small overall deficit in 2014/15 compared favourably with that before the programme and in the first few months of 2015/16, the deficit was lower than forecast. Lower interest payments following a recent restructuring helped to improve the primary balance, and in a further restructuring exercise, Jamaica bought back its outstanding PetroCaribe debt, thus reducing the net present value (NPV) of the country's debt.

Unfortunately, the region's recovery remains fragile. Economic growth in 2015 did not keep up with 2014 growth, and forecasts for 2016 are subject to significant uncertainty. Consideration of the outlook for such small open economies must include what is happening elsewhere in the world. A number of interlinked developments have caused the IMF and more recently the OECD to recently downgrade their global growth forecasts for 2016. These developments include the slowdown in China, persistently low commodity prices and their implications for producers and consumers, and the likelihood and timing of tighter monetary policy in the United States

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

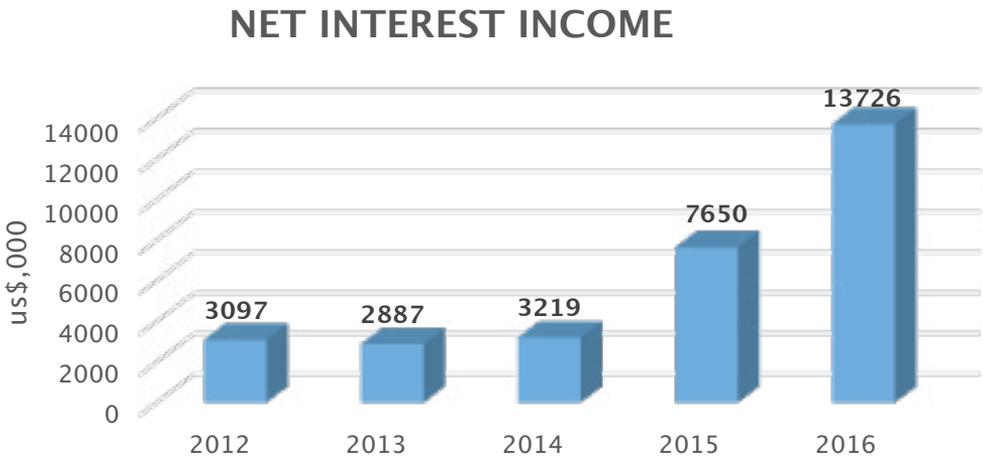
FINANCIAL PERFORMANCE

Proven Investments Limited experienced significant top-line growth in the financial year ended March 2016. The group experienced an 82.6% increase in Net Revenue year over year to US\$21.00 million versus US\$11.38 million in the previous year. The increase is mainly attributed to the acquisition of 49.27% of Access Financial Services Limited (“AFS”) during the past financial year.

Consolidated Net Profit attributable to owners of the company for the financial year ended March 31, 2016 amounted to US\$2.34 million. After excluding the extraordinary gains of US\$1.36 million from a subsidiary purchase in the results of the previous fiscal year, this profit represents a year over year decline of 41.5%. This decline in profits for the year was due to the decision to rebalance some of our positions in the portfolio, reducing our exposure to the high yield bond market and specifically the energy and mining sectors. Additionally, during the year, the portfolio was negatively affected by a bond restructuring exercise and an impairment loss of \$1.7 million on an energy-related security.

1. Carry Trade

Spread income was the major contributor to revenue during the period, as the strategy performed well. Consolidated Net Interest income grew by 81% year over year from US\$7.65 million to US\$13.73 million. Group dividend income grew by 201% to US\$1.37 million in 2016 versus US\$0.44 million the previous year.



MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

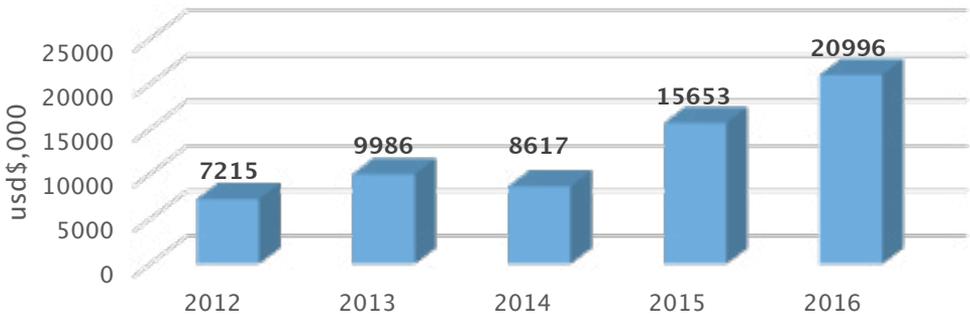
2. Portfolio Positioning

As a result of the rebalancing of the portfolio and bond restructuring mentioned above, Securities trading performance were hit hard during the financial year, resulting in a securities trading loss of US\$1.04 million for the year ended March 2016, compared to trading gains of US\$0.39 million in the prior year.

Net foreign exchange gains, on the other hand, grew over 7 times to US\$1.5 million for the financial year, from US\$0.2 million in the previous year. Fees and commission income, including Pension Fund management fees improved by 83% to total US\$3.92 million for the year.

Since the start of 2016 there have been signs of improvement in various sectors across all asset classes. We continue to actively monitor the dynamic investment landscape and continuously adjust our positioning to maximize on the opportunities which fit our prudent risk-reward criteria.

NET INTEREST INCOME AND OTHER OPERATING REVENUE



3. Private Equity

Private equity investments that fit our risk to reward objectives continue to be a strong area of focus as we explore vast opportunities throughout the region. Our current private equity holdings continue to boost our bottom-line:

Proven Wealth Limited

Proven Wealth Limited (“PWL”) had a successful year, experiencing significant growth in profits up to US\$2 million. The firm continues to focus on its strategy to offer innovative investment products to clients and reduce the issue of repurchase agreements.

I DID IT WITH ACCESS!

WITH A LOAN FROM ACCESS I WAS ABLE TO TAKE MY BUSINESS TO ANOTHER LEVEL.

Karen Adams has been a customer of Access for almost ten (10) years. She believed in what Access could do for her from the get go. With Access as her financial partner she has expanded her hair dressing business and recently relocated to a more convenient location.

Karen credits the staff at the Kingston branch for the efficient service she receives. According to Karen, working with Access means less stress.

"WHAT CAN I SAY ABOUT ACCESS?
IT'S EVERYTHING!"



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MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2016

3. Private Equity - Continued

PWL Transition Limited

PWL Transition Limited, continues to be a formidable player in Pension fund management and administration sector. Profitability improved during the financial year ended March 2016 as a result of improved efficiency following the amalgamation of back office operations with Proven Wealth Limited. Net profits for the year was US\$0.75 million and total Assets under Administration as at March 31, 2016 stood at US\$300.49 million.

Access Financial Services Limited

During December 2014, PROVEN acquired a 49.27% stake in Access Financial Services Limited ("AFS"), making it the largest shareholder in the micro-lending company. AFS, one of the largest microcredit entities in Jamaica, has contributed considerably to the results of the Group since the acquisition, producing net profits of US\$2.38 million for the year ended March 31, 2016, more than double their prior year results. The net loan portfolio was US\$17.2 million as at March 31, 2016, representing a 33% increase for the financial year.

Knutsford Express Limited

During the financial year, PROVEN liquidated its stake in Knutsford Express Limited ("Knutsford Express"). This sale resulted in a return on investment of over 100%.

Asset Management Company Limited

On March 2, 2015, the entire loan portfolio of Asset Management Company Limited ("AMCL") was sold to Access Financial Services Limited. This has resulted in considerably synergies and cost savings across the Group, As a result of this sale, AMCL has ceased operations as a micro-lender and will eventually be wound up.

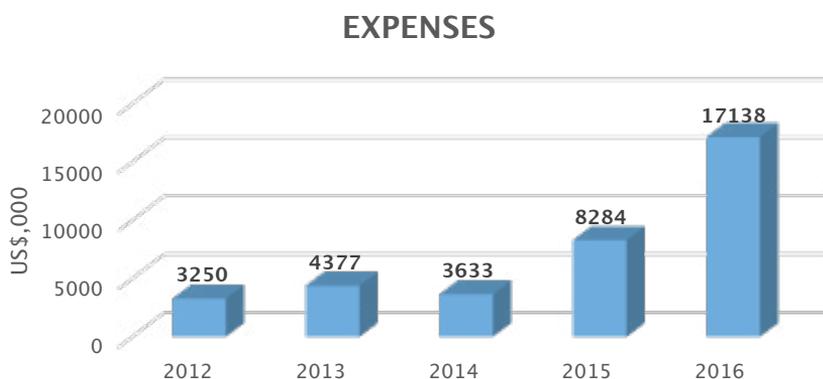
PROVEN REIT Limited

PROVEN is the majority shareholder in PROVEN REIT Limited. Having successfully completed and sold the residential development on Kingsway Avenue in Kingston, Jamaica, the company is now embarking on another residential development. The company also continues to closely monitor the local and regional real estate markets for new opportunities.

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

4. Operating Expenses

For the financial year ending March 31, 2016, consolidated operating expenses increased by 106.8% to US\$16.84 million from US\$8.28 million in the prior year period as a result of the amalgamation of PWLTL and AFS in the Group's results and an impairment loss of US\$1.7 million. As a result, the Efficiency Ratio, including all income and expense items, increased to 80.20% compared to 62.2% for the same period last year. In the forthcoming quarters, expense management and consolidation will be a key focus of management, as we seek to get the efficiency ratio closer to the 50% target.



5. Net Profit

Net Profit attributable to shareholders totalled US\$2.34 million or 0.44 cents per share. This represents a Return on Average Equity of 4.60%.

6. Balance Sheet

Total assets amounted to US\$348.4 million as at March 31, 2016, down from US\$364.3 million as at March 31, 2015. The contraction resulted from a reduction in resale agreements, intangible and other assets. However, investment securities increased 11.96% to US\$232.2 million from US\$208.4 million year over year. Total liabilities also declined to US\$276.1 million as at March 31, 2016 from US\$310.6 million as at March 31, 2015, as securities sold under repurchase agreements declined to US\$159.8 million compared to US\$183.8 million as at the end of last year. Notes payable also declined to US\$94.2 million from US\$103.1 million in the previous year.

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

7. Shareholder's Equity

Shareholder's Equity attributable to the owners of the company increased by 39.65% from US\$42.3 million as at March 31, 2015 to US\$59.6 million as at March 31, 2016. The company issued additional shares raising an aggregate of US\$29.265 million. This increase in equity was offset by unrealized losses in the investment portfolio of US\$7.65 million, mainly as a result of softening of the bond market during the year.

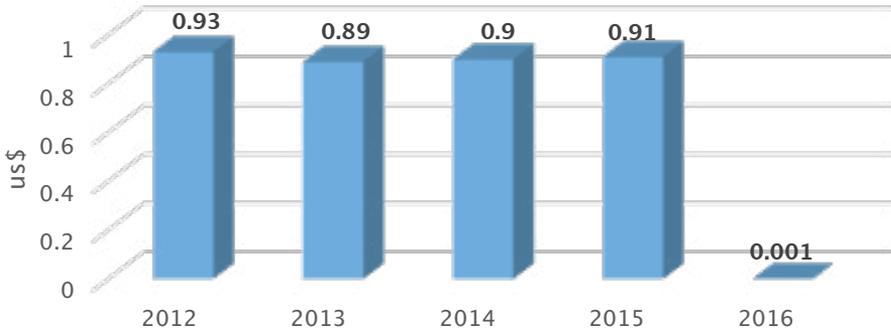


8. Dividend Payment

The Board of Directors has approved a final dividend payment of US\$0.0010 per share to all ordinary shareholders on record as at June 9, 2016 to be paid on June 23, 2016. This payment will bring the total dividend for the financial year to date to US\$0.0053 per share, representing a tax-free dividend yield of 2.54% based on the average share price of US\$0.2085 for the year ended March 31, 2016.

PROVEN Investments Limited takes this opportunity to thank all of our stakeholders. To our clients, thank you for your continued support. To our Shareholders, thank you for your commitment and trust. Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.

DIVIDEND PER SHARE



PROVEN Investments Limited

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Director

Director

PROVEN

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