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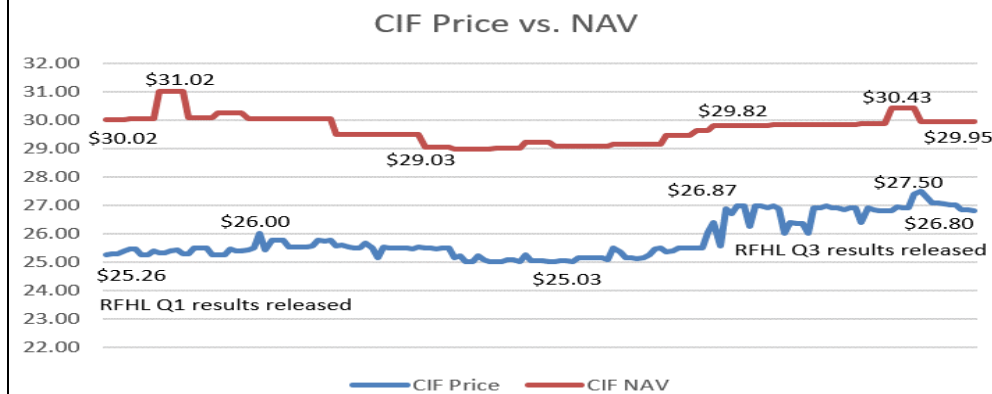
A MEMBER OF THE JMMB GROUP Email: jmmbinvestmentsttresearch@jmmmb.com

August 2021
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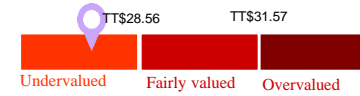
CIF declares interim dividend of 27 cents per share

RFHL's Financial Summary	Nine-Months Ended 30-Jun-21	Nine-Months Ended 30-Jun-20	\$ change	% change
<u>Income Statement Extract</u>	TT\$'000	TT\$'000	TT\$'000	
Profit attributable to equity holders	1,036,008	774,317	261,691	↑ 33.8%
Earnings per share	6.37	4.77	1.60	↑ 33.5%
Dividend per share (in \$ per share)	-	-	-	N/A
<u>Balance Sheet Extract</u>				
Total Assets	108,262,927	105,339,006	2,923,921	↑ 2.8%
Total Liabilities	96,437,720	93,981,604	2,456,116	↑ 2.6%
Shareholder's Equity	11,825,207	11,357,402	467,805	↑ 4.1%
<u>Cash Flows Extract</u>				
Net cash from operating activities	5,190,707	5,632,835	(442,128)	↓ -7.8%
Net cash used in investing activities	(2,922,564)	3,068,580	(5,991,144)	↓ -195.2%
Net cash used in financing activities	(1,423,182)	(3,217,850)	1,794,668	↓ -55.8%
Cash and cash equivalents	17,783,175	18,193,839	(410,664)	↓ -2.3%
<u>Metrics</u>				
Book Value Per Share	72.44	69.57	2.87	↑ 4.1%
Market Price	139.93	139.50	0.43	↑ 0.3%
Market to Book Ratio	1.93	2.01	-0.07	↓ -4%

Note: Green arrows indicate growth while red indicate contractions

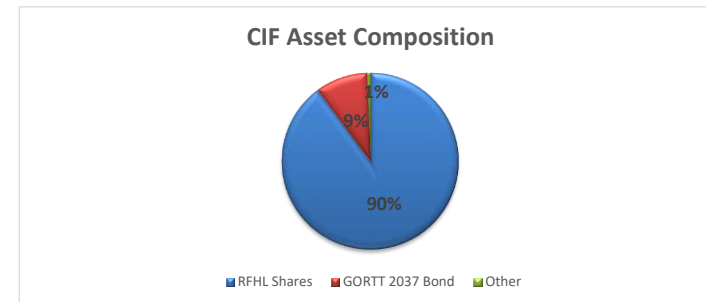


Quarterly Update



Valuation	
Current Price	TT\$26.80
Trailing P/E Multiple	4.90x
Net Asset Value	TT\$29.95
JMMB New Target Price	TT\$30.06
Dividend Yield	2.76%

For period ended June 30, 2021, Republic Financial holdings (RFHL) shares accounted for 90% of total assets in the Clico Investment Fund (CIF), the GORTT 2037 Bond accounted for 9% and the remainder of assets in the fund comprise interest receivables and liquid assets. Given the high level of concentration of RFHL shares in CIF, it is likely that any change in the fair value of RFHL shares will likely affect the fair value of CIF.



Outlook:

In July 2020, JMMB's Research Department recommended an **OUTPERFORM** (up to 10% of your portfolio) rating on CIF with a price target of \$29.01. The price of CIF at that date was \$25.49, which was below our fair value range. Since that rating, CIF's share price soared to a high of \$27.39 in July 2021, then closing at \$26.80 as at August 6, 2021.

CIF is currently trading at a 11.75% discount to its Net Asset Value (NAV) as RFHL's share price continues to trade at fairly high levels despite COVID-19 measures affecting its financial performance.

We maintain our rating on CIF at **OUTPERFORM** (up to 10% of your portfolio) and revise our target price to \$30.06 (12.2% above the current price). The increase in the target price is based on the increased earnings for the underlying RFHL.