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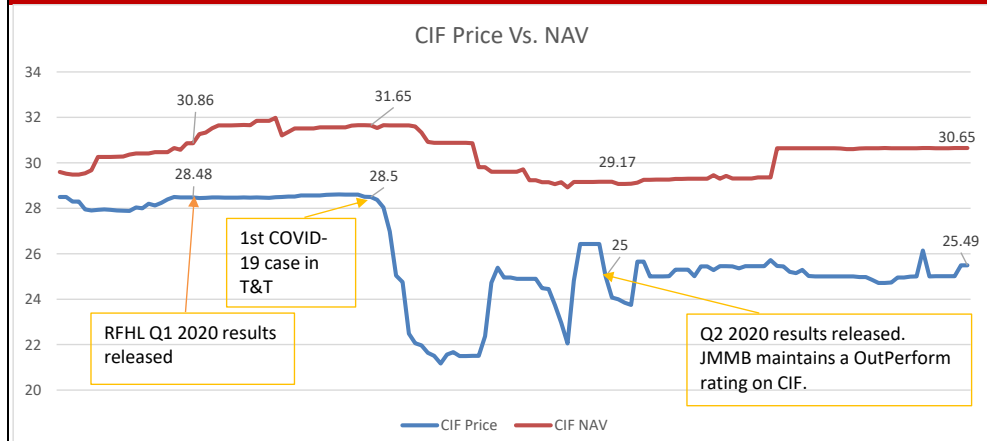
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CIF still trading at a discount to its fair value despite RFHL's decline in ea

RFHL's Financial Summary	9 Months Ended 30-Jun-20	9 Months Ended 30-Jun-19	\$ change	% change
Income Statement Extract				
	TT\$'000	TT\$'000	TT\$'000	
Profit after Tax	853,581	1,327,178	(473,597) ↓	-35.7%
Earnings per share	4.77	7.60	(2.83) ↓	-37.2%
Dividend per share (in \$ per share)	\$ 3.85	\$ 4.40	(0.55) ↓	-12.5%
Balance Sheet Extract				
Total Assets	105,339,006	85,482,463	19,856,543 ↑	23.2%
Total Liabilities	93,981,604	74,619,370	19,362,234 ↑	25.9%
Shareholder's Equity	11,357,402	10,863,093	494,309 ↑	4.6%
Cash Flows Extract				
Net cash from operating activities	5,632,835	803,111	4,829,724 ↑	601.4%
Net cash from investing activities	3,068,580	1,948,801	1,119,779 ↑	57.5%
Net cash used in financing activities	(3,217,850)	1,558,038	(4,775,888) ↓	-306.5%
Cash and cash equivalents	18,193,839	12,111,795	6,082,044 ↑	50.2%
Metrics				
Book Value Per Share	69.99	67.03	2.96 ↑	4.4%
Market Price	139.50	121.00	18.50 ↑	15.3%
Market to Book Ratio	1.99	1.81	0.19 ↑	10%

Note: Green arrows indicate growth while red indicate contractions



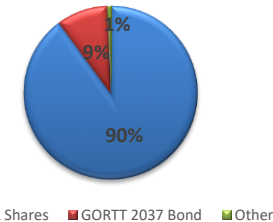
Quarterly Update



Valuation	
Current Price	TT\$25.49
Trailing P/E Multiple	4.77x
Net Asset Value	TT\$30.65
JMMB New Target Price	TT\$29.01
Dividend Yield	4.0%

In Clico Investment Fund (CIF) Quarterly Financial Statements for period ended March 31st 2020, Republic Financial holdings (RFHL) shares accounted for ~90% of total assets in the fund, 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.

CIF Asset Composition



Outlook:

JMMB's research department on May 7th, 2020, maintained an **OUTPERFORM** rating on CIF with a price target of \$29.63. At that point in time, CIF was trading at \$25.00. Since then, CIF's share price has remained steady and at close on July 30th, 2020, CIF was trading at \$25.49. CIF is currently trading at a 17% discount to its Net Asset Value (NAV); this is because RFHL share price continues to trade at fairly high levels despite COVID-19 measures affecting its financial performance.

Despite a 37% decline in earnings for the underlying (RFHL), we maintain our rating on CIF at **OUTPERFORM (up to 10% of your portfolio)**, but we decrease our target price to \$29.01 (representing a 14% upside from its current price). The decrease in the target price is as a result of the impact of COVID-19 on RFHL's valuation. However, our RFHL model assumes a gradual return to normalcy from 2021 onward.