

Chairman's Annual Report 2018

Financial Performance, The fiscal year 2018, would be best characterized as a cleanup of Benchmark's long standing client accounts, coupled with additional capital allocation and business strategies designed for the continuation of future earnings growth for the group. The group earnings performance was below budget due to a slowing of commissions generated from trading through our broker dealer Benchmark Advisors and the cost associated with the creation of our newest addition to The Group, Benchmark Ventures. However, the performance of our administrative broker dealer Alliance Investment Management (Alliance) and Benchmark Properties (Properties) cushioned the degree of our loss for the period. This year's performance was not only impacted by the slowing in our trading commission revenue, but also the Net unrealized loss on investments, provisions for impairment of financial assets IFRS9 and the startup cost for The Groups newest investment Benchmark Ventures (Ventures). During the year your Board of Directors approved the restructuring of the company which resulted in the shifting of all operating processes and assets from the Benchmark (Bahamas) Limited into one of its wholly owned subsidiaries. The subsidiaries contributing positive earnings performance during the period were Alliance, and Properties registering profits of B\$377,730 and B\$124,928 respectively. Ventures and Advisors the lagged in earnings performance resulting in losses of B\$(497,781) and B\$(408,308). For the fiscal year end 31 December 2018, the Group's consolidated Net Comprehensive Loss was B\$(776,900).

Real Estate, Benchmark Investment Board during the fiscal year approved an initial investment with a total deposit of seventy thousand dollars to secure a single bedroom unit in the Wynn Developmental project on Cable Beach. Also, an additional unit at the Carmichael Commercial Centre was rented with a five-year lease. There are now two units remaining for lease in the complex representing approximately 2,000 square feet. The occupancy level of the property is at 88%. The two anchor tenants on the property will be up for renegotiation of their third five-year term leases in June 2019.

Broker Dealers, Following the completion of Benchmark's corporate restructure during 2019 two Class 1 Broker Dealers will emerge. Advisors license as a Class 1 Broker Dealer by the Securities Commission of The Bahamas and approved as a Broker Dealer on The Bahamas International Securities Exchange. It will provide trading execution services for all international and domestic securities transactions for Alliance and the Benchmark Group. Alliance is also licensed as a Class 1 Broker Dealer in the Benchmark Group. As the administrative broker for the group it is charged with the responsibility of opening new client relationships for international or domestic clients of the Benchmark Group, providing client statements, securities buy/sell orders placement and conformity with all regulatory compliance standards international and domestic.

Investment Portfolio, Our investment portfolio during 2018 did not produced positive returns as it did in 2017. Net Realized and Unrealized (loss)/gain on Investments was B\$(272,026). We appreciate and accept that this area of our business is difficult to forecast and is subject to volatility. However, we are confident that our investment portfolio will produce positive earnings growth over the long term.

Domestically, the Bahamian economy appears to be emerging from its economic doldrums as fiscal performance is beginning to show signs of heading in the right direction. The United States economy during 2018 grew above its forecasted Gross Domestic Product (GDP) rate and is expected to continue this trend during 2019. These positive trends and outcomes suggest that the Bahamas should continue to experience stronger economic performance during 2019. The Bahamas Financial Services Industry continues to experience change, we are monitoring developments closely.

For the fiscal year ending 31 December 2018, Benchmark (Bahamas) Ltd. consolidated net assets stood at B\$11,191,353.

Julian R. Brown
Chairman & President
24th April, 2019