



2nd **PR**  **MESA**
Conference

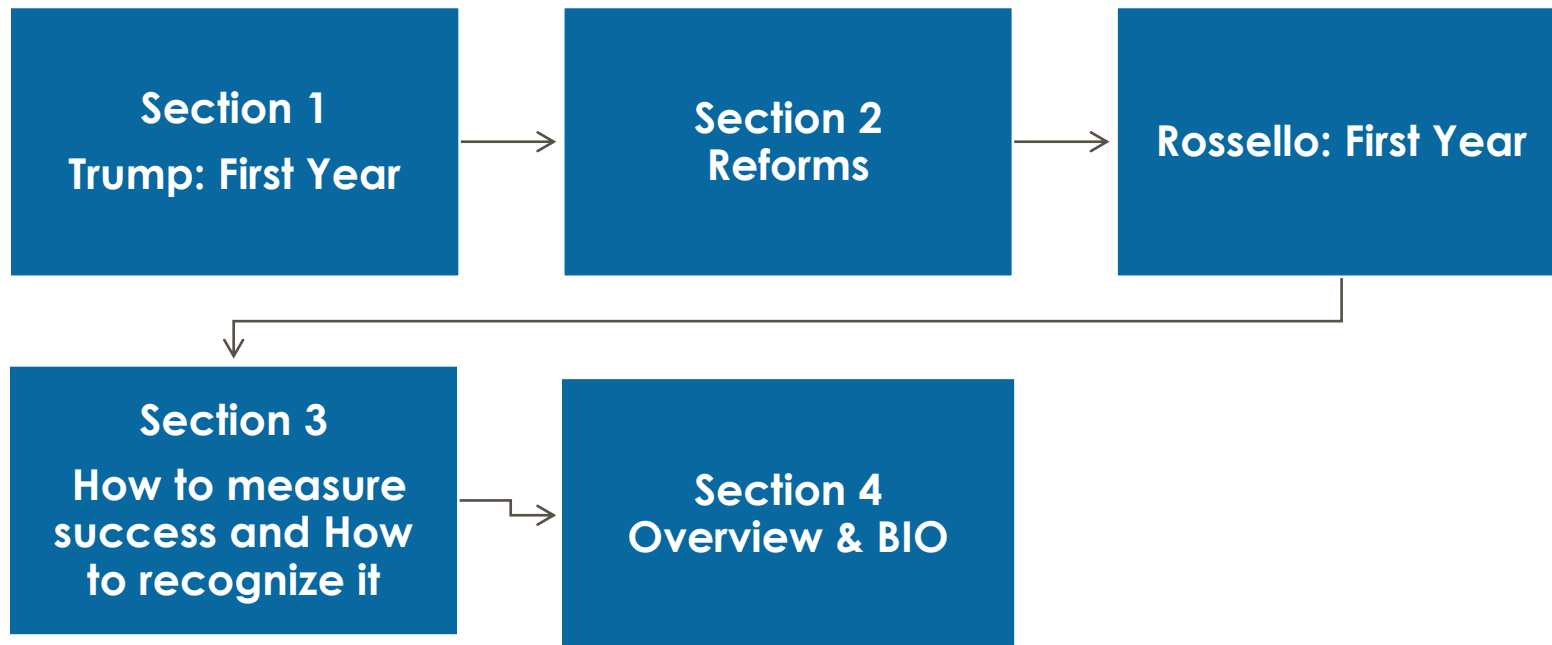
BIRLING
CAPITAL ADVISORS LLC

Measuring Performance

Francisco Rodriguez-Castro
President & CEO



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Section 1

Trump: First Year: Wins and Challenges





- ❑ **Regulatory Reform:** President Trump in on target to reduce regulations by 75%, markets have reacted in record levels.
- ❑ **Tax Reform:** With Tax rates at 21% the country is seeing increased economic development.
- ❑ **Corporate Americas Embracing of his Policies-** as the Dow Jones Industrial Average closed above 26,000 for the first time in its 121-year history, and with it establishing the first milestone of 2018.
- ❑ **Infrastructure Investment:** Trump's growth and job creation initiatives is his proposal to invest \$1 trillion in rebuilding the nation's infrastructure over 10 years.



Challenges:

- **Inability to condemn the alt-right-** The Presidents response to Charlottesville was unworthy of a President.
- **Firing of FBI Director James Comey-** this action ill-timed and unwise made the Special Prosecutor Investigation led by Robert Muller Possible.
- **Standing by a Sexual Predator Candidate-** Endorsing Roy Moore, was an endorsement no President should get involved in.
- **Use of his Twitter Account-** He continues to overshadow his policy achievements.
- **Little effort to seek Bi-Partisanship**
- **Not Understanding his role as President**



In the past 30 years, America had 13 wars spending \$2 trillion ... no matter how good your strategy is you're supposed to spend money on your own people. Then what happened? In 2008 the Financial Crisis wiped out \$19.2 trillion in US income.

... How much economic activity would occur if 50% of this money had been spent on the nations infrastructure Instead?

Section 3

Rossello First Year: Wins & Challenges





Governor Ricardo Rosselló inherited a Puerto Rico that was declared bankrupt, with a Financial Oversight and Management Board to deal with

- **Placing Puerto Rico on the Washington agenda for hurricane relief & FEMA-** for decades Puerto Rico was absent on the Washington agenda, Governor Rossello changed.
- **Seeking Medicare and Medicaid parity-** Puerto Ricans pay 100% of the Medicare and Medicaid insurance costs, yet we receive less than 40% of the benefits due to us, that in any book is a discriminatory practice, the Governor has taken that message to the point that parity may be in the horizon.
- **Making sure the U.S. public understands that there are 3.4 million U.S. Citizens that live in Puerto Rico-** as recently as September 26, and it the height of the news cycle about a total of 54% of all Americans did not know then Puerto Ricans are U.S. citizens



The Governors mistakes have been after the Hurricane, below our observations:

Establishing that 95% of Puerto Rico would have electricity by December 15, 2017- Even as hopeful as this goal was it created expectations to people that were desperate, a less aggressive goal would have been better.

The Whitefish Contract- Granting a \$300 million contract to a two-person company should have been avoided, and it created a storm in Washington that altered Puerto Rico's credibility. PREPA could have easily avoided by activating the American Public Power Association.

Waiting 45 Days to activate the help of the American Public Power Association- Although this was in PREPA's court, it impacted the Governor directly.

Section 3

Measuring Performance





Trump: First Year

Measuring Performance

Benchmarks for the U.S.

	Jan-18	Jan-17	Change
Price Per Gallon Regular Gasoline	\$2.39	\$2.44	-2%
Dow Jones Industrial Average	25,283	19,819	28%
Nasdaq	7,157	5,561	29%
Unemployment	4.10%	4.70%	-12.77%
Average GDP Growth Rate in office	2.30%	1.78%	29%
Labor-force participation rate	62.70%	62.70%	Unchanged
Home ownership rate	63.90%	62.90%	1.00%
Median household income	\$59,039	\$58,221	1.40%
National debt	\$20,492,954,574,012	\$19,962,644,407,252	2.66%
Credit Ratings	AA+/AAA	AA+/AAA	Unchanged
Access to markets	Full Access	Full Access	Unchanged
Approval Rating	38	46	-17.39%

Rossello: First Year



❑ Measuring Performance

Benchmarks for Puerto Rico

	Jan-18	Jan-17	Change
Price Per Liter Regular Gasoline	\$0.73	\$0.65	12.48%
PR Stock Index	2,048	2,551.91	-19.73%
Unemployment	10.40%	11.70%	-11.11%
Average GNP Growth Rate in office	-1.90%	-2.20%	-13.64%
Labor-force participation rate	40.60%	40.60%	0.00%
Home ownership rate	62.90%	62.90%	0.00%
Median household income	\$20,078	\$18,826	6.65%
National debt	\$69 Billion + Interest	\$69 Billion+Interest	Unchanged
Credit Ratings	D	D/Caa3	Default
Access to markets	No access	No Access	Unchanged
Approval Rating	Not Measured	Not Measured	



❑ Cited loosely from Atticus Finch in
To Kill a Mocking bird:

**“You never fully understand
the job a person does until
you consider things from his
point of view. Until you climb
into his skin and walk
around in it”.**

Section 4

Firm Overview

Mission

Our mission is providing insight to our clients in making decisive, enduring, and sustainable improvements to their financial performance.



FIRM OVERVIEW

Birling Capital is a boutique **corporate advisory & consulting firm** that offers broad corporate finance & advisory services to institutional, government, corporate, middle-market companies, family corporations and their owners, in identifying and resolving corporate finance related issues as part of a holistic approach both assets and liabilities sides with integrated business, personal, family needs and objectives.

Over the past two decades, our firm's principals have advised on more than 150 transactions in the corporate, healthcare, retail, education, insurance, banking and government markets.

Our value proposition has been implemented with three critical ingredients for success:



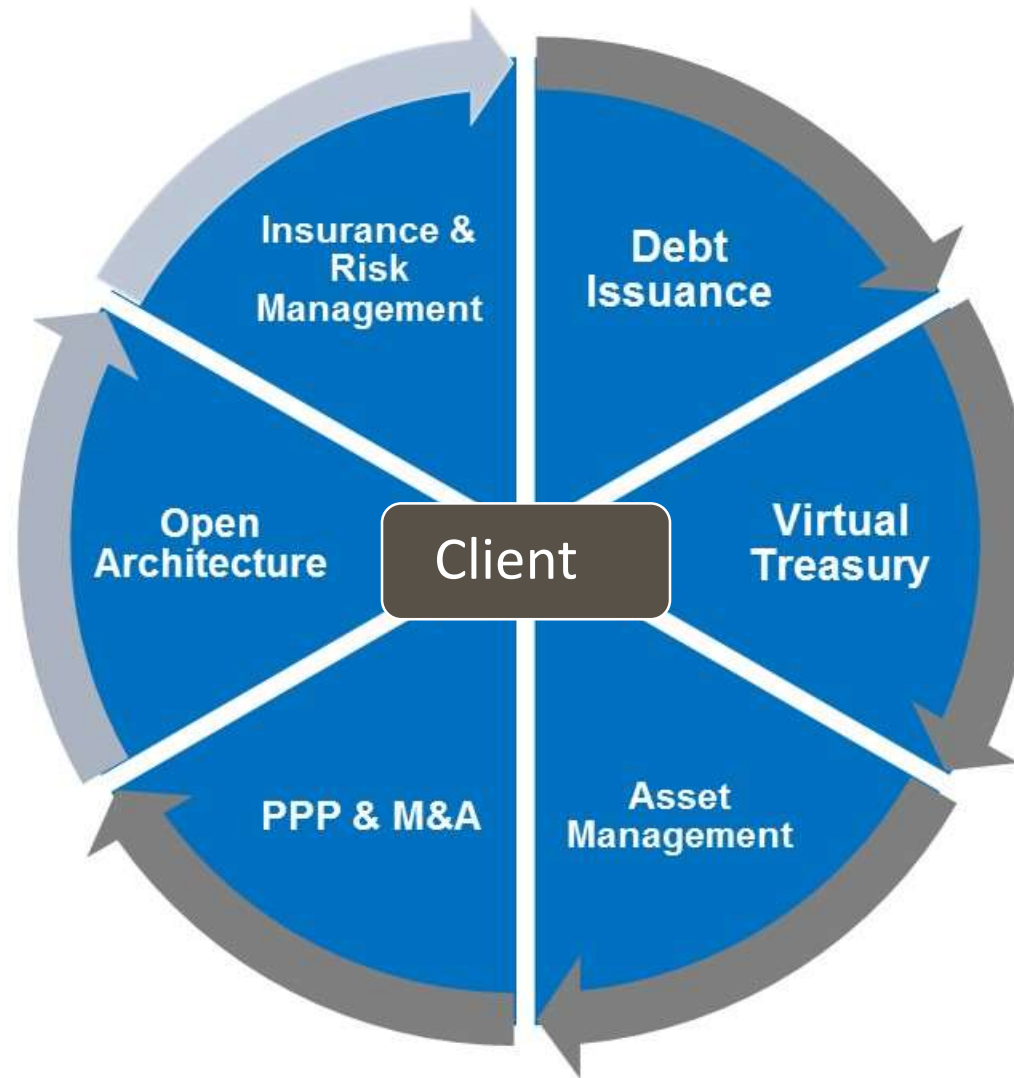
- ❑ Unwavering Commitment to Client Service
- ❑ Unparalleled Degree of Professionalism and Senior-Level Attention
- ❑ Extraordinary Level of Industry Expertise

Products and Services

Consulting and Advisory Practice Focus

- Family Corporations & Entrepreneurs
- Financial Institutions & Credit Unions
- Higher Education and Universities
- Healthcare & Pharmaceuticals
- Government
- Media
- Insurance
- Hotels
- Commercial Real Estate
- Manufacturing and Industrials
- Retail & Consumer Products
- Public Private Partnerships
- Distribution & Services
- Law 20/22 Segment





BIO



BIO



□ **Francisco Rodriguez-Castro, President & CEO**

Mr. Rodriguez-Castro is President & CEO of Birling Capital since its creation and manages all aspects of its practice. Mr. Rodriguez-Castro with over 25 years of experience has been a key executive in government, global, multinational and public companies as well as a key corporate advisor to multiple entities in a diverse array of market segments. He has participated in structuring over \$10 billion in Municipal Finance, Corporate, Commercial, Asset Based, AFICA and Mergers and Acquisitions transactions.

Mr. Rodríguez Castro has been Managing Director at UBS, President & CEO of the Economic Development Bank and held senior lending positions in the corporate banking sector. He is also a key leader in promoting the private sectors participation in the formulation of public policy of the country supporting the governments in its efforts to achieve and maintain sustained economic development for Puerto Rico. In addition to his management roles he was the founder of the Private Sector Coalition a not for profit association. As board member of the Puerto Rico Chamber of Commerce starting in 2006 he organized, founded and Chairs the Puerto Rico Conference a Macro economic investment conference.

BIO

☐ Francisco Rodriguez-Castro, President & CEO

Among the awards he has received are:

- Presidents Award Puerto Rico Chamber of Commerce 2010
- Caribbean Business Person of the Year 2009.
- Presidents Award for Outstanding Service 2009, Puerto Rico Products Association.
- Home Builders Achievement Award 2009
- Presidents Award for Outstanding Service 2008- Puerto Rico Chamber of Commerce
- El Vocero Newspaper Leaders Award 2008.
- Top Management Award 2006, SME Banker of the Year.
- Puerto Rico Chamber of Commerce Zenit Awards Banker of the Year 2006
- Banker of the year 2004 Puerto Rico Products Association.
- Zenit Award Public Service 2004 Puerto Rico Chamber of Commerce.
- Mercury Award Banker of the Year 2004, Centro Unido de Detallistas.

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