

# Sterling Investments Limited Financial Highlights- Audited results for FY 2017.

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Sterling Investments delivered solid results in 2017. Total assets surpassed J\$1 billion, trading gains tripled and dividends paid to shareholders increased by more than 50%. The company benefitted from profitable investments made during 2016 and 2017. Prices of assets in the portfolio rose significantly, allowing the team to realize some of the gains on its investments. The company started to make selective equity purchases towards the end of the year.

Total assets increased by 19.8%, from J\$974.7 million 2016 to J\$1.2 billion as at December 31, 2017. Despite declining yields in the bond market, total interest income grew by 1.3%, increasing from J\$78.1 million in 2016 to J\$79.1 million in 2017. The 2.7% appreciation of the Jamaican dollar led to a decline in net profit. Net profit declined by 34.3% to J\$51.7 million for the 2017 fiscal year on account of unrealized FX losses which totaled J\$26.2 million. This was primarily due to the appreciation of the Jamaican dollar which we do not expect to continue in 2018. The company immediately took steps to reduce the impact of the 2017 JMD appreciation by increasing trading gains. Trading gains jumped by 271.7% from J\$10.2 million in 2016 to J\$37.8 million in 2017. The company's strategy of using efficient funding sources has continued to reap rewards for stockholders. This is reflected in the company's robust net interest margin of 90%.

During 2017, SIL distributed J\$30,454,973 to stockholders in dividends, 57.6% more than the previous year. This represents a dividend yield of 4.04%. Dividends are paid in USD, which provides investors with a hedge against devaluation and inflation. We remind investors that the annual average rate of devaluation for the past 45 years (including 2017) is approximately 11.6%. Sterling Investments Limited was formed in 2012 when the JMD/USD exchange rate was J\$92 / US\$1 and prior to the National Debt Exchange. The company continues to preserve and grow the capital of its shareholders which include pension funds and long term investors.