

## Sterling Improves Performance for 2018

Sterling Investments Limited (SIL), the publicly listed investment vehicle managed by Sterling Asset Management, has closed the 2018 financial year with an increase of 3.9 per cent or \$3.1 million in its primary source of revenue, interest income.

Interest income totaled J\$82.2 million at the end of the company's fourth quarter ended 2018 and was attributable to higher-yielding assets throughout the year. Total revenue of the company grew 21.8 per cent from J\$90.66 million in 2017 to J\$110.45 million in 2018, reflecting increased foreign exchange earnings and trading gains.

The growth in revenue boosted SIL's bottom line by 4.1 per cent to total J\$53.8 million for the 2018 financial year.

SIL was named among the top ten performers of the Jamaica Stock Exchange year to date in November of 2018.

For the financial year, total assets of the investment vehicle increased by 3.5 per cent to surpass J\$1.2 billion. The growth in SIL's assets reflected the advantages gained by the company from strategic entry and exit points in an extremely volatile international market in 2018.

SIL recorded a realized gain on quoted equities of J\$2.6 million, while the net interest margin was 86.6 per cent, led by the company's strategy of using efficient funding sources to increase stockholder returns.

Despite improvements in key figures, SIL noted that the global capital markets were characterized by extremely high levels of volatility in the last quarter of 2018 which led to bond and equity prices declining significantly.

The S&P 500 declined by 14 per cent and the yield on the 10-year UST declined by 37bps, as a consequence, SIL's total equity declined 2.4 per cent from J\$866.5 million in December 2017 to J\$845.5 million in December 2018. Still, SIL has used the decline in prices as an opportunity to purchase undervalued assets that it believes will appreciate over time.