

**Sterling
Investments
Limited**

2020

**Audited
Financial
Highlights**

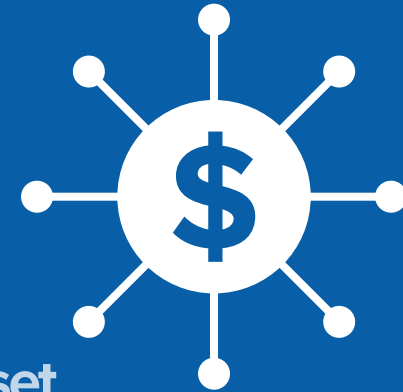
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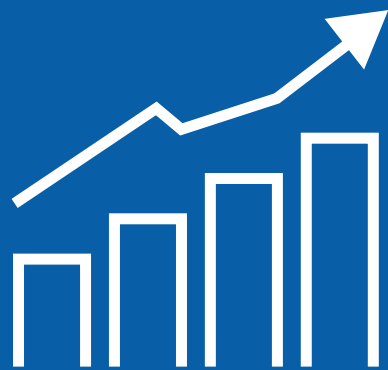
Dividend
pay-out ratio
increased from

50% → **80%**



Total Asset
growth of 17% to

J\$1.923B



Net profit
growth of

31%



Foreign Exchange
Gains up by

80%

Sterling Investments Limited Financial Highlights

Audited Results for FY 2020

Sterling Investments Limited (SIL) experienced strong growth in 2020. The company is generating more US dollar income post COVID-19 than it was before. SIL was also able to increase the US dollar dividends it pays to its shareholders during a time of great uncertainty.

Total assets grew by over 17% from J\$1.634 billion in 2019 to J\$1.923 billion in 2020. At the depths of the market decline, SIL was able to strategically purchase undervalued securities which have subsequently risen in value. The company's prudent use of leverage further enhanced shareholder returns and helped to drive the income and gains enjoyed by the portfolio. The larger asset base resulted in higher income levels. Total interest income increased by 22% from J\$98.3 million in 2019 to J\$120.3 million in 2020. Further driving profitability was a reduction in interest expense. Total interest expense declined by 11% from J\$12.9 million in 2019 to J\$11.4 million in 2020. The decline in interest expense was the result of a reduction in interest rates by the Federal Reserve.

Net profit grew by 31% from J\$101.2 million in 2019 to J\$134.3 million in 2020. This was driven by the increases in interest income, the decline in interest expense and the increase in foreign exchange gains. Foreign exchange gains increased by 80% from J\$43.9 million in 2019 to J\$79.2 million in 2020. The Jamaican dollar depreciated against the US dollar by 7.6% for the twelve-month period ended December 2020.

Investors will continue to benefit from the US dollar income SIL's portfolio generates through dividend payments. SIL's exposure to the developed countries suggests that it will be among the first companies on the local stock exchange to benefit from a global economic recovery.

Sterling Investments Limited is an investment holding company that invests primarily in fixed income investments across the globe. The company was formed in 2012 when the JMD/USD exchange rate was J\$92 / US\$1 and prior to the National Debt Exchange. SIL continues to preserve and grow the capital of its shareholders which include pension funds and long-term investors.

Enhanced diligence amid COVID-19:

As the fallout from the COVID-19 pandemic continues, SIL continues to perform enhanced due diligence as it monitors the credits held by the portfolio and hunts for undervalued securities to enhance shareholder value.

Top Ten Shareholders as at December 31, 2020

Name	Number of Shares	Percentage
ATL Group Pension Fund Trustees Nominee Limited	47,856,608	12.7%
GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	34,848,550	9.2%
Lloyd Badal	23,431,379	6.2%
PAM - Pooled Equity Fund	22,025,175	5.8%
Cable and Wireless Jamaica Pension Fund	14,492,015	3.8%
Everton Lloyd McDonald	13,331,584	3.5%
Charles A. Ross	12,145,918	3.2%
Satyanarayana Parvataneni	11,134,784	3.0%
National Insurance Fund	10,080,645	2.7%
JN Fund Managers Limited for JN Pooled Pension Local Equity Fund	8,912,355	2.4%

Shareholdings of Directors as at December 31, 2020

Directors	Number of shares	Percentage of Total
Derek Jones		
Michael Bernard		
Maxim Rochester		
Charles Ross	12,145,918	3.2%

Shareholdings of Connected Parties as at December 31, 2020

Name	Number of Shares	Percentage
Marian A. Ross	1,301,010	0.35%
Charles Andrew Ross	642,756	0.17%
Sterling Asset Management Limited	93,500	0.02%
Natalie A. Farrell-Ross	89,068	0.02%