



Sagicor

SELECTFUNDS

**September 2021 Quarterly Report**

**Sagicor Select Funds - Financial Fund**



YOUR SHARE OF  
**WEALTH**

## DIRECTORS' REPORT

On behalf of the Board of Directors of Sagicor Select Funds Limited, we are reporting on the performance of the Financial Select Fund (SELECTF) for the nine months ended September 2021. SELECTF was listed on the JSE in August 2019. As at the end of September 2021 the net asset value of the Fund was J\$4,200 million.

### OVERVIEW

#### Macro-Economic

During the third quarter of 2021, there was a general slowing in global growth momentum. This slowdown has largely emanated from persistent supply chain disruptions and continued resurgences of COVID-19 cases. There has been significant strain due to COVID-related factory and port shutdowns, as well as logistic bottlenecks related to weather disruptions and container shortages. As a result, inventory levels have fallen and the backlog of orders for traded goods has surged.

The impact of such supply conditions has led to the continuation of inflationary pressures resulting in rising input prices. Global inflation rose to 3.9% (year-over-year) in August 2021, this was 1.8 percentage points above its level in January 2020. In light of rising prices, market participants remained expectant for monetary policy actions from central banks to impact the movement of prices. However, most central banks maintained their low-rate policies, as much of the inflationary pressures are considered transitory as a result of the impact of COVID-19 on economies.

Despite improvement in vaccination levels, the spread of the new variant of the COVID-19 virus was still a factor in global conditions during Q3 of 2021. Many developed countries recorded high

vaccination rates, however, the prevalence of the Delta variant of COVID-19 has resulted in a degree of caution that negatively impacted confidence.

The conditions experienced on the local economy continued to mirror that of the global performance. According to the Statistical Institute of Jamaica (STATIN), total value added for the Jamaican economy grew by 14.2% in the second quarter of 2021. This performance should be viewed in the context of the significant fall of 18.4% in economic activity during the second quarter of 2020 when the Government implemented a number of measures to curtail the spread of COVID-19. Relative to the first quarter of 2021, the economy expanded by 2.4%. This was a reflection of the gradual improvement in economic activity.

The optimism surrounding the reopening activities in the latter part of Q2 of 2021 waned as for most of Q3 the government implemented consecutive lockdown days to curb a third wave of the coronavirus. During the lockdown days there was allowance for movement for selected workers, however, expectation of a negative hang on consumer demand impacted investor confidence. Furthermore, the Q2 earnings for local companies in the manufacturing and distribution sectors were negatively impacted by higher costs for shipping and input materials. These factors weighed on investor expectations and was reflected in declines for the indices for both the JSE Main and Junior markets during the quarter.

The unemployment rate for July 2021 was 8.5%, an improvement relative to 12.6% recorded in July 2020 at the height of the pandemic. Improving employments levels continue to support economic recovery. For September 2021, the All Jamaica Consumer Price Index (CPI) was 114.9 indicating a point to point inflation rate of 8.2%. This is outside the upper limit of the BOJ's inflation target range of 4% to 6%. The movement in the index was largely impacted by price increases in Food and Non-Alcoholic Beverages, Restaurant and Accommodation Services as well as Transportation.

## Sector

The local Finance & Insurance Services industry recorded growth of 2.8% during the April to June quarter of 2021. This resulted from improved performance in the monetary intermediation category as both insurance services and other financial intermediation categories fell during the quarter. The increase in monetary intermediation was mainly influenced by the growth in commercial banks. The performance of commercial banks was positively impacted by an increase in non-interest income. The decline in insurance services was largely due to the reduced performance in non-life insurance activities.

Loans and advances (including domestic and foreign currency denominated loans) to the non-financial private sector by deposit-taking institutions (DTIs) expanded by 8.4% as at May 2021. This was in line with the growth of 8.8% as at March 2021. The growth in total loans and advances was underpinned by expansions in loans of 9.3% and 7.2% to individuals and the productive sector, respectively. Growth in loans to the productive sector was mainly attributed to growth in loans to the Tourism, Other Professional, Distribution, and Transport industries.

## Market

At the end of September 2021, year to date increases of 4.9% and 24.7% were recorded in the JSE Main index and JSE Junior Market index, respectively. While this represents recovery in the market, the outturn for Q3 was slightly negative. Overall, the year-to-date recovery has been driven by the manufacturing sector lead by positive financial performance of companies in the food manufacturing and construction segments.

Relative to the end of June 2021, eight of the nine JSE indices decreased in value. The JSE Main index fell by 2.5%. During August and September, restrictive measures (which included consecutive lockdown days) were used to curb the spread of Covid-19 due to a surge in cases. It is likely that such events contributed to the reversal in investor optimism seen in Q2.

The two sector specific indices also declined. The Manufacturing & Distribution index dipped by 0.9% and the Financial index was lower by 3.2%. Even though market sentiment towards manufacturing firms has been strong, the expected impact of higher costs associated with shipping and raw materials has factored into investors' assessment. Meanwhile, the financial companies continue to experience low investor appetite as investors remain cautious.

During the third quarter of 2021, Barita Investments Limited conducted an additional public offering, the Invitation raised J\$10.78 billion in additional permanent equity capital for the company.

Index	Dec-20 Value	Mar-21 Value	Jun-21 Value	Sep-21 Value
Combined- Index	392,435.92	395,189.03	427,844.60	417,203.03
		0.7%	8%	-2%
JSE-Index	395,614.93	394,659.55	425,564.15	414,889.96
		-0.2%	8%	-3%
All-Jamaica	433,521.09	432,859.15	462,541.00	456,691.93
		-0.2%	7%	-1%
JSE-Select	9742.79	9,761.16	10,409.02	10,019.88
		0.2%	7%	-4%
Cross-Listed	99.95	93.69	96.75	82.49
		-6%	3%	-15%
JSE-Junior	2,643.38	2,982.95	3,370.59	3,296.35
		13%	13%	-2%
US-Equities	186.30	204.40	194.72	195.60
		10%	-5%	0.5%
Financial Index	102.09	99.63	105.07	101.68
		-2%	5%	-3%
Manufacturing & Distribution Index	82.83	93.55	106.13	105.15
		13%	13%	-1%

## TOP TEN PERFORMERS (SEPTEMBER 2021)

### Top 10 Performers: JSE Combined Index

Security	Close Price (\$)		
	Sep-21	Jun-21	% Change
RJR	\$3.78	\$1.65	129.20%
FESCO	\$2.75	\$1.30	111.17%
ROC	\$4.10	\$2.96	38.51%
BIL	\$108.08	\$80.04	35.03%
HONBUN	\$8.33	\$6.76	23.29%
DCOVE	\$9.86	\$8.03	22.79%
CBNY	\$0.39	\$0.33	19.42%
MTL	\$0.11	\$0.09	18.59%
KREMI	\$6.37	\$5.45	16.96%
MDS	\$5.00	\$4.28	16.83%

### Top 10 Performers: Financial Companies

Security	Close Price (\$)		
	Sep-21	Jun-21	% Change
ROC	\$4.10	\$2.96	38.51%
BIL	\$108.08	\$80.04	35.03%
ISP	\$23.50	\$21.41	9.76%
SCIJMD	\$15.92	\$14.91	6.76%
LASF	\$3.12	\$3.03	3.05%
SJ	\$57.16	\$55.85	2.34%
JMMBGL	\$37.72	\$37.08	1.73%
SIL	\$3.01	\$2.97	1.35%
SSLVC	\$0.63	\$0.63	0.00%
SCIJA	\$13.06	\$13.06	0.00%

## OUTLOOK

The nine-months of 2021 have presented new challenges and setbacks associated with the ongoing pandemic. This has resulted in expectations for longer than initially anticipated recovery owing to lingering effects of the pandemic. However, while these challenges still persist, economies are implementing strategies largely surrounding vaccinations to move forward for a better performance. There remain some positive indicators surrounding the outlook for global economies, albeit reduced, that supports optimism moving into to 2022.

Global growth expectations by the International Monetary Fund (IMF) as at October 2021 were revised downwards from the forecast in July 2021. Rapid spread of the Delta variant and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome. The global economy is projected to grow 5.9% in 2021 and 4.9% in 2022, the projection for growth in 2021 was 0.1 percentage point lower than in the July forecast. The downward revision for 2021 reflects a downgrade:

- for advanced economies due in part to supply disruptions; and
- for low-income developing countries, largely due to worsening pandemic dynamics.

Notwithstanding, there are stronger near-term prospects among some commodity-exporting emerging markets and developing economies.

The main headwind for advanced economies is now supply shortages and the resulting effects on consumer prices. Markets are likely to see inflationary pressures sustained beyond 2022, stemming

from elevated food prices, lagged effects of higher prices and shipping costs. The IMF noted that the risks to inflation are skewed to the upside and are possible to materialize if there is a continuation of supply-demand mismatches induced by the pandemic.

Locally, the fourth quarter has already seen relaxation in restrictive COVID-19 measures and a strong stance from the central bank with regard to impacting inflationary pressures. In October 2021, the Bank of Jamaica (BOJ) increased its benchmark policy rate by 100 basis points from 0.5% to 1.5%. Furthermore, the BOJ has signaled the use of additional contractionary monetary policy to influence inflation should the need arise. Interest rates have already begun to inch up based on the BOJ's action and this could support improved performance for companies in the financial sector.

The projection for Fiscal Year 2021/22 is for growth within the range of 7.0%–10.0%. The projected growth in the economy is largely reflective of a normalization of economic activities, supported by higher external demand. Specifically, there is anticipated higher growth in Tourism and Other Services stemming from the assessment of pent-up demand/improvement in the external economy. Within the Construction industry, expected continuation of growth is based on a projected increase in spending on residential and commercial construction. These sectors are closely linked to the Manufacturing sector and should positively support increased demand from companies in the sector. Notwithstanding, companies in manufacturing and distribution are expected to face higher costs associated with shipping as bottlenecks in global supply chains continue to put upward pressure on shipping costs.

Companies	Qtr 1		Qtr 2		Qtr 3			
	BUY	SELL	BUY	SELL	BUY	SELL		
KEY	9,380,163							
GHL	543,524,905							
SGJ	46,299,116							
SJ	165,177,574							
NCBFG	275,168,008							
JMMBGL	5,710,020						11,258,251	
PJAM	3,954,922							
BIL	1,688,702						10,000,345	54,446,574

## FINANCIAL PERFORMANCE

For third quarter of 2021, the Financial Select Fund recorded a net loss of J\$145.2 million. This outturn was largely due to unrealized depreciation of J\$196.4 million in the value of investments as most of the securities in the Fund recorded a fall in prices during the quarter. Relative to the end of June 2021, the JSE Financial Index declined by 3.2%.

Total cash revenue for Q3 of 2021 was J\$64.0 million, largely consisting of realized gain on the sale of investments and dividend income. Owing to rebalancing activities which started in the previous quarter the Fund sold shares in Barita Investment Limited and JMMB Group Limited in Q3. The sale of these shares resulted in gains of J\$40.4 million. The rebalancing activity stemmed from the relisting of Guardian Holdings Limited in May 2021 which resulted in revision in index weighting of the JSE Financial Index. Dividend income was J\$23.4 million, this was an increase compared to J\$9.0 million received in Q3 of 2020.

Total expenses for the quarter amounted to J\$12.6 million, an increase compared to J\$5.1 million recorded in the corresponding quarter of 2020. This increase was largely due to cost associated with dividend payment in July 2021. Management fees to Fund Managers accounted

for 24.1% of total expenses, year-over-year management fees were lower due to a decline in net asset value of the Fund.

At the end of September 2021, the total assets were valued at J\$4,219 million. This comprised Financial Assets held by the fund of J\$4,133 million (98.0%). The higher cash and cash equivalent of \$71.0 million relative to J\$52.5 million at the end of September 2020 reflects higher dividend income. Receivables stood at J\$15.0 million at the end of September 2021, this largely represented dividend declared but not yet received.

The assets were financed by equity of \$4,200 million and liabilities of J\$18.8 million.

## INVESTMENT OBJECTIVE

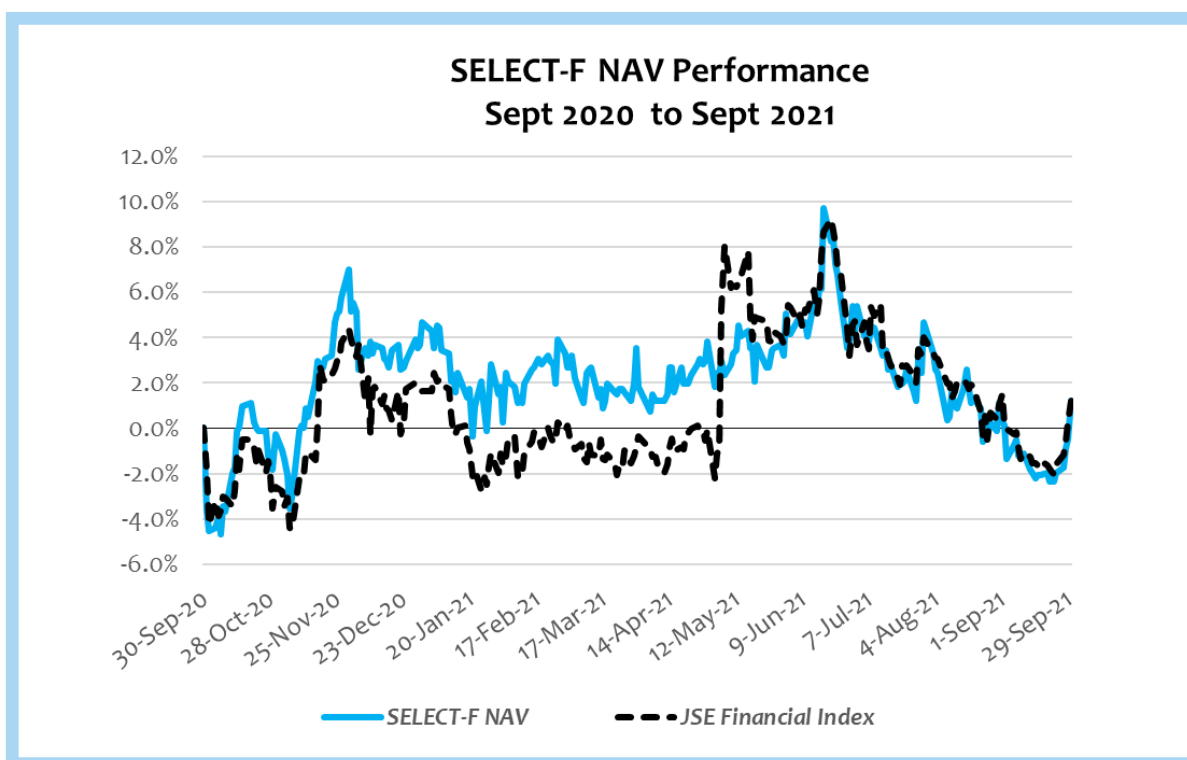
The Funds invest in a representative sample of securities included in the respective Indices that collectively has an investment profile similar to the Indices. Due to the use of representative sampling, the Funds may or may not hold all the securities that are included in the respective Indices.

More specifically, the Financial Select Fund seeks to track the investment results of an index composed of Jamaican equities in the financial sector. The fund and the index are comprised of publicly traded financial stocks that are listed on the JSE.

## PERFORMANCE

### KEY FACTS

Net Assets as of September 30, 2021 ('000)	4,200,058
Listing Date	8-Aug-19
Asset Class	Equity
Benchmark Index	JSE Financial Index
JSE Ticker	SELECTF
Shares Outstanding ('000)	5,100,000
Number of Holdings September 30, 2021	25
Bid Price as of September 30, 2021	0.53
Expense Ratio	0.30%
Mgmt. Fees	0.30%



## PORTFOLIO INFORMATION – CLASS B SHARE: SELECTF

Ticker	Name	Portfolio Weighting	Index Weighting	Q3 Price Change (%)
<b>NCBFG</b>	NCB FINANCIAL GROUP LTD	26.59%	26.85%	-8.94%
<b>SJ</b>	SAGICOR GROUP JAMAICA LTD	19.01%	19.05%	2.34%
<b>SGJ</b>	SCOTIA GROUP JAMAICA	11.66%	10.29%	-6.69%
<b>GHL</b>	GUARDIAN HOLDINGS LIMITED	9.65%	11.50%	-15.27%
<b>BIL</b>	BARITA INVESTMENTS LTD	7.45%	11.26%	35.03%
<b>JMMBGL</b>	JMMB GROUP LTD	7.15%	6.30%	1.73%
<b>PJAM</b>	PAN JAMAICA INVT TRUST LTD	6.94%	5.81%	-7.38%
<b>PROVEN</b>	PROVEN INVESTMENTS LTD	1.04%	2.12%	-10.27%
<b>JSE</b>	JAMAICA STOCK EXCHANG LTD	1.40%	1.03%	-2.08%
<b>MJE</b>	MAYBERRY JAMAICAN EQUITY LTD	1.27%	0.89%	-6.45%
<b>VMIL</b>	VM WEALTH INVESTMENTS LIMITED ORDINARY SHARES	0.80%	0.71%	-13.81%
<b>EPLY</b>	EPPLEY LTD	0.76%	0.66%	-6.40%
<b>MIL</b>	MAYBERRY INVESTMENTS LTD	0.74%	0.62%	-3.70%
<b>GENAC</b>	GENERAL ACCIDENT INSURANCE JAMAICA LIMITED	0.66%	0.48	-1.73%
<b>PROVEN</b>	PROVEN INVESTMENTS LTD	0.66%	0.00%	-10.27%
<b>SCIJMD</b>	SYGNUS CREDIT INVESTMENTS LTD SCIJMD	0.53%	0.25%	6.76%
<b>LASF</b>	LASCO FINANCIAL SERVICES LTD	0.42%	0.34%	3.05%
<b>AFS</b>	ACCESS FINANCIAL SERVICES LTD	0.39%	0.40%	-18.57%
<b>KEY</b>	KEY INSURANCE CO LTD	0.26%	0.19%	-21.39%
<b>PJX</b>	PORTLAND JSX LTD	0.25%	0.24%	-4.36%
<b>SCIUSD</b>	SYGNUS CREDIT INVESTMENTS LTD SCIJA	0.20%	0.50%	-17.21%
<b>SIL</b>	STERLING INVESTMENTS LTD	0.11%	0.10%	1.35%
<b>QWI</b>	QWI INVESTMENTS LIMITED	0.11%	0.09%	-6.02%
<b>ROC</b>	IRONROCK INSURANCE CO LTD	0.08%	0.07%	38.51%
<b>CABROKERS</b>	CARIBBEAN ASSURANCE BROKERS LIMITED	0.04%	0.04%	-7.28%
<b>SSLVC</b>	SSL VENTURE CAPITAL JAMAICA	0.03%	0.02%	0.00%



# FINANCIAL STATEMENTS

**Sagicor Select Funds Limited SELECTF**  
**Statement of Financial Position**  
**as at 30 September 2021**  
 (Expressed in thousands of Jamaican dollars)

	September 2021 Unaudited	September 2020 Unaudited	December 2020 Audited
<b>ASSETS:</b>			
Cash and Cash Equivalents	71,001	52,503	69,962
Financial assets at fair value through profit or loss	4,132,820	4,154,236	4,289,444
Receivables	15,015	28,003	7,722
<b>TOTAL ASSETS</b>	<b>4,218,837</b>	<b>4,234,742</b>	<b>4,367,128</b>
<b>STOCKHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Equity attributable to:</b>			
Stockholders' of the company			
Share capital	5,023,931	5,023,931	5,023,931
Retained earnings	(823,873)	(797,163)	(668,305)
<b>Total Equity</b>	<b>4,200,058</b>	<b>4,226,768</b>	<b>4,355,626</b>
<b>Liabilities</b>			
Other liabilities	18,779	7,974	11,502
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>4,218,837</b>	<b>4,234,742</b>	<b>4,367,128</b>
<b>Net asset value per stock unit</b>	<b>\$0.82</b>	<b>\$0.83</b>	<b>\$0.85</b>



Colin Steele Chairman



Janene Shaw Director

# FINANCIAL STATEMENTS

**Sagicor Select Funds Limited SELECTF**  
**Income Statement**  
**for the nine-months ended September 2021**  
**(Expressed in thousands of Jamaican dollars)**

	Q3 2021 Unaudited	Q3 2020 Unaudited	September 2021 Year to date Unaudited	September 2020 Year to date Unaudited	December 2020 Full Year Audited
<b>Revenue:</b>					
Net changes in fair value on financial assets at fair value through profit or loss	(156,032)	83,151	(155,690)	(1,733,761)	(1,617,908)
Dividend income	23,416	9,046	61,906	47,395	68,294
Interest income	125	422	661	984	1,229
<b>Net investment income</b>	<b>(132,490)</b>	<b>92,619</b>	<b>(93,123)</b>	<b>(1,685,382)</b>	<b>(1,548,385)</b>
Net foreign currency gains/losses and other income	(208)	76	18	140	199
<b>Total revenue</b>	<b>(132,698)</b>	<b>92,695</b>	<b>(93,105)</b>	<b>(1,685,242)</b>	<b>(1,548,186)</b>
	-	-			
<b>Expenses:</b>					
Administration expenses	12,550	5,100	33,902	26,172	34,370
<b>Total expenses</b>	<b>12,550</b>	<b>5,100</b>	<b>33,902</b>	<b>26,172</b>	<b>34,370</b>
	-	-			
<b>Net (Loss)/Profit</b>	<b>(145,248)</b>	<b>87,595</b>	<b>(127,008)</b>	<b>(1,711,414)</b>	<b>(1,582,556)</b>
EPS	-\$0.03	\$0.02	-\$0.02	-\$0.34	-\$0.31

## FINANCIAL STATEMENTS

**Sagicor Select Funds Limited SELECTF**  
**Statement of Changes in Equity**  
**for the nine-months ended September 2021**  
**(Expressed in thousands of Jamaican dollars)**

	Share Capital	Retained Earnings	Total Stockholders' Equity Unaudited
<b>Period ended September 30, 2021:</b>			
Balance as reported December 31, 2020	5,023,931	(668,305)	4,355,626
Total comprehensive loss for the period	-	(127,008)	(127,008)
Dividend to share holders		(28,560)	(28,560)
<b>Balance as at September 30, 2021</b>	<b>5,023,931</b>	<b>(823,873)</b>	<b>4,200,058</b>
<b>Period ended September 30, 2020:</b>			
Balance as reported December 31, 2019	5,023,931	914,251	5,938,182
Total comprehensive income for the period	-	(1,711,414)	(1,711,414)
Shares issued and fully paid	-	-	-
<b>Balance as at September 30, 2020</b>	<b>5,023,931</b>	<b>(797,163)</b>	<b>4,226,768</b>

# FINANCIAL STATEMENTS

**Sagicor Select Funds Limited SELECTF**  
**Statement of Cash Flows**  
**for the nine-months ended September 2021**  
**(Expressed in thousands of Jamaican dollars)**

	September 2021 Year-to-date Unaudited	September 2020 Year-to-date Unaudited	December 2020 Full Year Audited
<b>Cash Flows from Operating Activities:</b>			
<b>Net (Loss)/Profit</b>	<b>(127,008)</b>	<b>(1,711,414)</b>	<b>(1,582,556)</b>
Adjustments for:			
<b>Items not affecting cash:</b>			
Adjustments for non-cash items, interest and dividends	(62,567)	(48,409)	(69,590)
Changes in other operating assets and liabilities	156,607	1,676,372	1,564,943
Interest received	661	984	1,229
Dividend received	61,906	47,395	68,294
<b>Net cash generated from/(used in) operating activities</b>	<b>29,599</b>	<b>(35,072)</b>	<b>(17,680)</b>
<b>Cash Flows from Financing activities:</b>			
Issue of ordinary shares	-	-	-
Deposits and securities liabilities, net	-	-	-
Interest paid	-	-	-
Dividends paid to stockholders	(28,560)	-	-
<b>Net cash generated from financing activities</b>	<b>(28,560)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents:</b>			
Effect of exchange rate on cash and cash equivalents	-	-	67
Increase in cash and cash equivalents	1,039	(35,072)	(17,680)
Cash and cash equivalents at beginning of year	69,962	87,575	87,575
<b>Cash and cash equivalents at end of period</b>	<b>71,001</b>	<b>52,503</b>	<b>69,962</b>
<b>Comprising:</b>			
Balances with Banks	16,508	9,704	26,214
Securities purchased under resale agreements	54,493	42,799	43,748
	<b>71,001</b>	<b>52,503</b>	<b>69,962</b>

# FINANCIAL STATEMENTS

## Notes to the Financial Statements

### 1. Identification

The Company was incorporated on the 11th of January 2019 as a public company, for the primary purpose of trading in securities listed on recognised exchanges. The Financial Select Fund is a close-ended nondiversified investment fund.

The Company entered into a management agreement with SIJL to act as Fund Manager.

### 2. Basis of Preparation

This condensed interim financial report for the reporting period ended September 30, 2021, has been prepared in accordance with Accounting Standards IAS 34 'Interim Financial Reporting'. These financial statements should be read in conjunction with the accounting policies and other disclosures as set out in the audited financial statements with disclosure notes for the year ended December 31, 2020.

### 3. Summary of Significant Accounting Policies

#### a) Financial assets at fair value through profit or loss

##### (i) Classification

The Entity classifies its investments based on both the Entity's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The Entity is primarily focused on fair value information and uses that information to assess the assets' performance and to make decision. The Entity has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Entity's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows is only incidental to achieving the Entity's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

##### (ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Entity commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to received cash flows from the investments have expired or the Entity has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Entity's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income within interest income based on the effective interest rate.

## FINANCIAL STATEMENTS

### (iii) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Entity is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

### b) Dividend income

Dividend income is recognised when the right to receive payment is established.

### c) Interest income and interest from financial assets at fair value through profit or loss

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

### d) Net asset value per stock and earnings per stock unit

The net asset value per stock unit is calculated by dividing the net assets of each share class by the number of outstanding stock units. Basic earnings per stock unit is calculated by dividing the profit for the year by the weighted average number of ordinary stock units in issue during the year, excluding the average number of ordinary stock units purchased by the Fund and held as treasury shares.

## 4. Impact of COVID -19

An outbreak of the novel coronavirus known as COVID-19 has resulted in travel restrictions, restrictions on gatherings of people (including closings of, or limitations on, dining and entertainment establishments, as well as schools and universities), supply chain disruptions, lower consumer demand, as well as general concern and uncertainty. While there has been a general reduction in restrictive measures, containment in people movement is still present in the local market. The latter along with the lingering impact of COVID-19 in the global market continues to have a significant impact on the company's performance.

The duration of the COVID-19 outbreak cannot be determined with certainty. The risk of further spreading of COVID-19 has led to significant uncertainty and volatility in the financial markets and disruption to the global economy, the consequences of which are currently unpredictable. Certain of the Fund's investments are exposed to businesses that, as a result of COVID-19, experience a slowdown or temporary suspension in business activities.

These factors, as well as any restrictive measures instituted in order to prevent or control the pandemic, could have a material and adverse effect on the Sagicor Select Fund investments. The impact on the investment includes lower prices and dividend income.

## TOP TEN SHAREHOLDINGS

### For Sagicor Select Funds Limited - Financial

As at September 30, 2021

Primary Account Holder	Joint Holder(s)	Volume	Percentage
1. JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY			
		1,290,668,650	25.3072%
	<b>Client total ownership</b>	<b>1,290,668,650</b>	<b>25.3072%</b>
2. PANJAM INVESTMENT LIMITED			
		251,981,715	4.9408%
	<b>Client total ownership</b>	<b>251,981,715</b>	<b>4.9408%</b>
3. JCSD TRUSTEE SERVICES LTD - SIGMA DIVERSIFIED INVESTOR			
		250,500,000	4.9118%
	<b>Client total ownership</b>	<b>250,500,000</b>	<b>4.9118%</b>
4. SAGICOR EQUITY FUND			
		145,506,312	2.8531%
	<b>Client total ownership</b>	<b>145,506,312</b>	<b>2.8531%</b>
5. SAGICOR POOLED EQUITY FUND			
		84,900,212	1.6647%
	<b>Client total ownership</b>	<b>84,900,212</b>	<b>1.6647%</b>
6. JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL VENTURE			
		81,679,107	1.6016%
	<b>Client total ownership</b>	<b>81,679,107</b>	<b>1.6016%</b>
7. PAM - POOLED EQUITY FUND			
		69,865,774	1.3699%
		1,953,149	0.0383%
	<b>Client total ownership</b>	<b>71,818,923</b>	<b>1.4082%</b>
8. NCB INSURANCE AGENCY AND FUND MANAGER LIMITED			
		63,846,122	1.2519%
	<b>Client total ownership</b>	<b>63,846,122</b>	<b>1.2519%</b>
9. BRITISH CARIBBEAN INSURANCE CO. LTD.			
		52,287,880	1.0253%
	<b>Client total ownership</b>	<b>52,287,880</b>	<b>1.0253%</b>
10. WORLDNET INVESTMENT COMPANY LIMITED			
		13,352,996	0.2618%
	<b>Client total ownership</b>	<b>13,352,996</b>	<b>0.2618%</b>
<b>Total Issued Capital</b>		<b>5,100,000,000</b>	
<b>Total Units Owned by Top 10 Shareholders</b>		<b>2,306,541,917</b>	
<b>Total Percentage Owned by Top 10 Shareholders</b>		<b>45.2263%</b>	

## DIRECTORS AND THEIR CONNECTED PARTIES

### For Sagicor Select Funds Limited - Financial

As at September 30, 2021

Director	Primary Name	Relationship	Volume	Percentage
<b>Omar Brown</b>	<b>Joint Holder (s)</b>			
	Omar Brown	Self	0.0	0.000%
	Poliana Brown	Connected	0.0	0.000%
		Director Holdings	0.0	0.000%
		Connected Party	0.0	0.000%
		Combined Holdings	0.0	0.000%
<b>Faith Vincent</b>	Faith Vincent	Self	102,000	0.002%
	Jason Adams	Connected	25,000	0.000%
	Jason Adams	Connected	31,625	0.001%
		Director Holdings	102,000	0.002%
		Connected Party	56,625	0.001%
			Combined Holdings	158,625
<b>Colin Steele</b>	Colin Steele	Self	3,000,000	0.059%
		Director Holdings	3,000,000	0.059%
		Connected Party	-	0.000%
			Combined Holdings	3,000,000
<b>Janene Shaw</b>	Janene Shaw	Self	0.0	0.000%
		Director Holdings	0.0	0.000%
		Connected Party	0.0	0.000%
			Combined Holdings	0.0
<b>Daniella Silvera</b>	Daniella Silvera	Self	0.0	0.000%
	David Silvera	Connected	153,000	0.003%
		Director Holdings	-	0.000%
		Connected Party	153,000	0.003%
			Combined Holdings	0.0
<b>Warren Chin</b>	Warren Chin	Self	4,730,409	0.093%
	Sheray Chin	Connected		
		Director Holdings	4,730,409	0.093%
		Connected Party	-	0.000%
			Combined Holdings	4,730,409
<b>Issued Shares</b>			5,100,000,000	
<b>Combined Directors' Holdings</b>			7,832,409	<b>0.154%</b>
<b>Combined Connected Party Holdings</b>			209,625	<b>0.004%</b>
<b>Combined Holdings</b>			8,042,034	<b>0.158%</b>