



Sagikor

SELECTFUNDS

Q2 2023 Performance Report

Sagikor Select Funds

Manufacturing & Distribution Fund



YOUR SHARE ^{OF}
WEALTH

DIRECTORS' STATEMENT

On behalf of the Board of Directors of Sagicor Select Funds Limited, we are reporting on the performance of the Manufacturing & Distribution Select Fund (SELECTMD) for the three months ended June 2023. SELECTMD was listed on the JSE in December 2019. As at the end of June 2023 the Net Asset value of the Fund was J\$3,936.6 million.

OVERVIEW

Macro-Economic

In the second quarter of 2023, global economic data has indicated a turn towards an improvement. A majority of countries have continued to see a decline in their headline inflation rate, as energy prices have continued to dissipate from the initial price shock of the invasion of Ukraine. Economic conditions in developed countries have displayed slight signs of weakness, but not to the extent that was expected at the start of the year.

Rising interest rates have brought some disturbance in the global banking sector, but no broad financial upheaval has occurred. Also, while there has been an increase in credit tightening worldwide, unemployment in key advanced countries remained low and economic growth is still robust.

Jamaica's point to point inflation rate for June 2023 was 6.3%, about 0.1 percentage point higher than where it was in March 2023. Overall, the point-to-point inflation rate has eased considerably, when compared to the 10.2% recorded in June 2022.

The Bank of Jamaica (BOJ) at its last monetary policy meeting, in June 2023, highlighted that despite drought conditions and the effect on the

agriculture sector, the economy continued to grow. The estimated gross domestic product (GDP) growth rate of the fiscal year of 2022/23, which was 4.7%, was in line with their expectation.

At its meetings on June 27-28, 2023, the BOJ's Monetary Policy Committee (MPC), agreed to maintain the policy interest rate at 7%; despite economic growth being within their expected range and reduced inflation over the past several months. They also took the decision to maintain tight Jamaican dollar liquidity conditions and keep the Jamaican dollar relatively stable.

For the first quarter of 2023, total value added at constant prices increased by 4.2%, when compared to the first quarter of 2022. The manufacturing sector grew 3.6% and the finance and insurance services sector grew 1.9%.

Sector

For the first quarter of 2023, Real Value Added for the Manufacturing industry grew by an estimated 3.6%, due to increased output in the Food, Beverages & Tobacco sub-industry. Higher output levels were recorded for dairy products, vegetables, and animal oil and fats. Increased demand from the tourism and entertainment sectors influenced the growth of the beverages group. The Other



Manufacturing sub-industry, however, recorded a decline due to reduced production of refined petroleum products and non-metallic mineral products as a result of maintenance activities carried out at the plants.

The Real Value Added for the Wholesale & Retail Trade; Repair & Installation of Machinery (WRTRIM) industry grew by 2.8%. This industry benefitted from the increased output in the Manufacturing industry and the increase in goods imported.

Market

For the quarter ended June 2023, eight of the nine JSE indices decreased in value except for the US-Equities trading firm. The equities market has been on a downward trajectory for the past 12 months. Sentiments among institutional investors have started to improve given the outlook on

interest rates and inflation due to the increase in volume seen traded in the market. Notwithstanding, the improved sentiments towards local equities, there continues to be flight to quality towards fixed income securities yielding higher returns. The Jamaica Stock Exchange's Main Index declined 1.6% and the Junior Market Index declined 2.45%. The Financial Index dipped by 1.93% and the Manufacturing & Distribution Index decreased by 1.99%.

The manufacturing & distribution division, being predominantly consumer staples providers, would be expected to be the division, with the highest probability to pass any increase in input costs and be able to maintain demand during an economic downturn. The financial index continues to face headwinds as the sector continues to negatively impact investor expectation for further headwinds and reduced dividend payout.

Index	Sep-22 Value	Dec-22 Value	Mar-23 Value	Jun-23 Value
Combined- Index	376,221.72	368,591.98	352,487.53	346,528.89
	-6%	-2%	-4%	-2%
JSE-Index	361,691.60	355,896.64	340,535.88	335,070.77
	-6%	-2%	-4%	-2%
All-Jamaica	413,943.31	403,080.36	383,757.21	377,465.17
	-6%	-3%	-5%	-2%
JSE-Select	9,149.71	8,896.48	8,246.44	8,151.61
	-8%	-3%	-7%	-1%
Cross-Listed	58.61	60.78	59.58	58.72
	-5%	4%	-2%	-1%
JSE-Junior	4,229.54	3,986.44	3,795.21	3,701.89
	-3%	-6%	-5%	-2%
US-Equities	215.55	233.97	231.90	231.64
	2%	9%	-1%	0%
Financial Index	87.70	85.88	79.13	77.6
	-4%	-2%	-8%	-2%
Manufacturing & Distribution Index	99.47	97.42	97.16	95.22
	-8%	-2%	0%	-2%

TOP TEN PERFORMERS (JUNE 2023)

Top 10 Performers: JSE Combined Index				Top 10 Performers: Manufacturing Companies			
	Close Price (\$)				Close Price (\$)		
Security	Mar-23	Jun-23	% Change	Security	Mar-23	Jun-23	% Change
CABROKERS	\$1.91	\$3.26	70.68%	LASD	\$2.60	\$3.50	34.62%
TJH	\$1.54	\$2.46	59.74%	KREMI	\$3.50	\$4.71	34.57%
SOS	\$15.75	\$23.16	47.05%	BPOW	\$2.40	\$3.07	27.92%
CHL	\$13.30	\$19.02	43.01%	FTNA	\$8.40	\$10.49	24.88%
MEEG	\$11.66	\$16.31	39.88%	MDS	\$4.95	\$5.85	18.18%
LASD	\$2.60	\$3.50	34.62%	PURITY	\$2.15	\$2.53	17.67%
KREMI	\$3.50	\$4.71	34.57%	CPJ	\$9.70	\$10.74	10.72%
SRFJMD	\$9.30	\$12.15	30.65%	MASSY	\$87.64	\$99.01	9.59%
SCIUSD	\$0.09	\$0.12	30.00%	JAMT	\$2.28	\$2.46	7.89%
BPOW	\$2.40	\$3.07	27.92%	CFF	\$1.25	\$1.32	5.60%

OUTLOOK

The International Monetary Fund has projected, that in 2023, Jamaica's economy should increase by 2.2%, with general government gross debt falling to 78% of GDP. Compared to the 2022 estimate of 5.2%, 2023 would indicate a slowdown in growth compared to the 2022 estimate.

Given Jamaica's size, the projection is dependent on the unfurling of events abroad. The projections could be undone by a sharp economic recession in key trading partners, such as the United States and the United Kingdom. Furthermore, higher interest rates in key foreign markets have a cascading effect on local monetary policy, which will in turn affect private sector development decisions.

So far inflation has fallen sharply. However, it could be affected by an increase in commodity prices in the second half of the year. Energy and food prices tend to be volatile and could easily reverse course as the year progresses.

FINANCIAL PERFORMANCE

The Manufacturing & Distribution Select Fund recorded a net loss of J\$73 million for the six months of 2023. The loss was due primarily to a net unrealised loss in fair value on financial assets of \$121 million.

The drop in the value of financial assets occurred during a general downturn in investor sentiment during the first half of the year due to economic uncertainty globally and rising interest rates. Dividend Income at \$55.8 million was an increase of 4.53% when compared to the six months of 2022, as the underlying companies, represented by the financial assets, saw an increase in profits.

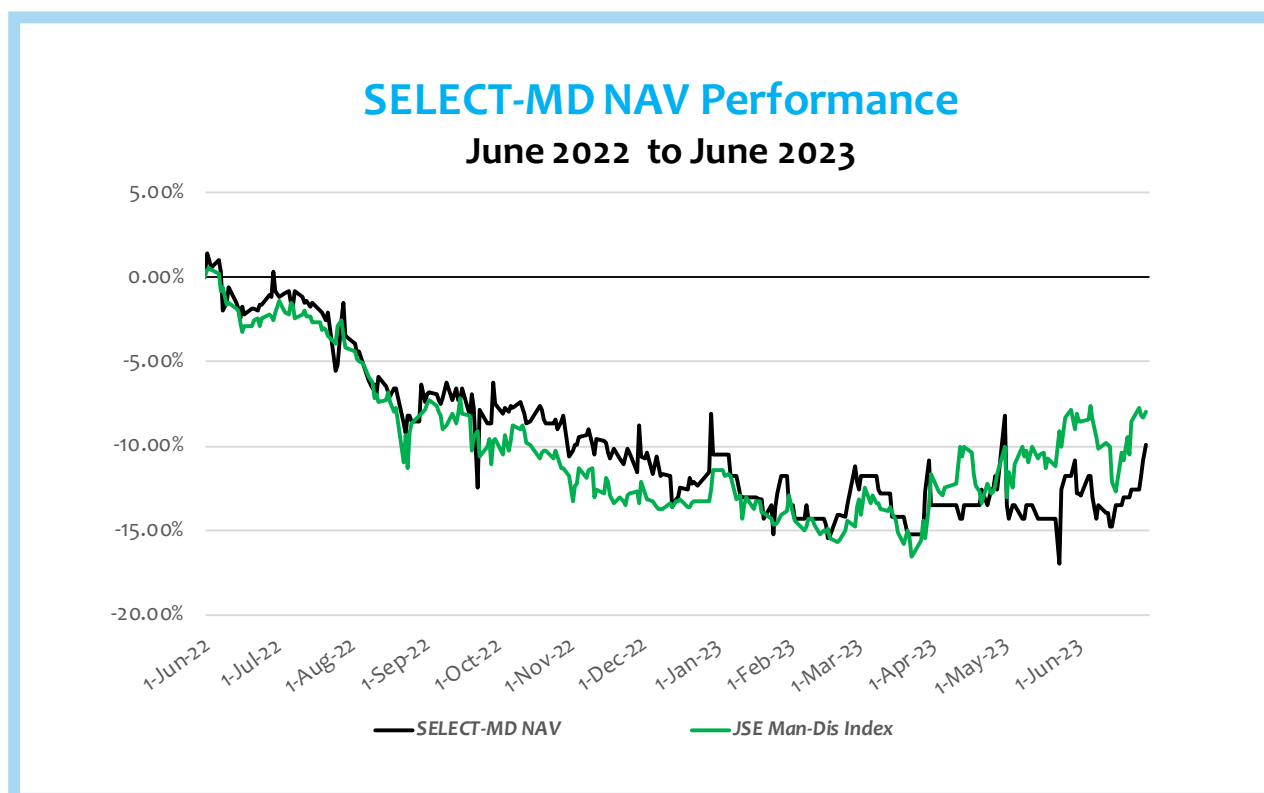
Total expenses for the six-month period amounted to J\$12.7 million, a decrease compared to J\$19.3 million recorded in the corresponding period in 2022. Management fees were the main cost item, contributing 46% of total expenses. Overall, management fees decreased by 11%, closing the period at \$5.8 million.

At the end of June 2023, the total assets were valued at J\$3,957 million. This comprised of Financial Assets held by the fund, at a fair value of J\$3,735 million (94.4%). The assets were financed by equity of J\$3,937 million and liabilities of J\$20.75 million.



PERFORMANCE

KEY FACTS	
Net Assets as of June 30, 2023 ('000)	\$3,934,926.97
Listing Date	18-Dec-19
Asset Class	Equity
Benchmark Index	JSE Manufacturing & Distribution Index
JSE Ticker	SELECTMD
Shares Outstanding ('000)	3,816,612
Number of Holdings June 30, 2023	30
Bid Price as of June 30, 2023	0.58
Expense Ratio	0.72%
Mgmt. Fees	0.30%



PORTFOLIO INFORMATION – CLASS C SHARE: SELECTMD

TICKER	NAME	PORTFOLIO WEIGHTING	INDEX WEIGHTING	Q2 PRICE CHANGE (%)
GK	GRACEKENNEDY LTD	16.50%	11.52%	-0.01%
WISYNCO	WISYNCO GROUP LTD	14.45%	9.91%	3.51%
CAR	CARRERAS LTD	10.62%	5.66%	-2.93%
CCC	CARIBBEAN CEMENT CO LTD	10.27%	7.11%	-4.98%
JBG	JAMAICA BROILERS GROUP LTD	8.94%	6.15%	-5.63%
SEP	SEPROD LTD	8.36%	8.17%	-1.99%
JP	JAMAICA PRODUCERS GROUP	4.46%	3.32%	-7.93%
LASM	LASCO MANUFACTURING LTD	3.87%	2.78%	3.15%
BOJ	COD 30D	3.16%	2.12%	-19.40%
FTNA	FONTANA LIMITED	2.73%	1.92%	24.88%
MASSY	MASSY HOLDINGS LTD.	2.57%	28.72%	9.59%
LASD	LASCO DISTRIBUTORS LTD	2.52%	1.81%	34.62%
FOSRICH	FOSRICH CO LTD	2.38%	2.12%	-19.40%
DTL	DERRIMON TRADING CO LTD	1.92%	1.40%	5.00%
CPJ	CARIBBEAN PRODUCERS JAMAICA	1.70%	1.67%	10.72%
JAMT	JAMAICAN TEAS LTD	1.02%	0.77%	7.89%
INDIES	INDIES PHARMA JAMAICA LTD	0.98%	0.68%	-1.98%
HONBUN	HONEY BUN 1982 LTD	0.65%	0.50%	-1.86%
KREMI	CARIBBEAN CREAM LTD	0.36%	0.21%	34.57%
BRG	BERGER PAINTS JAMAICA LTD	0.33%	0.29%	-1.71%
LUMBER	LUMBER DEPOT LIMITED	0.32%	0.27%	-8.55%
EFRESH	EVERYTHING FRESH LTD	0.30%	0.19%	4.83%
SALF	SALADA FOODS LTD	0.30%	0.63%	-19.53%
AMG	AMG PACKAGING & PAPER CO LTD	0.26%	0.24%	-16.00%
CFE	CARIBBEAN FLAVOURS & FRAGRAN	0.24%	0.18%	5.60%
TROPICAL	TROPICAL BATTERY COMPANY LIMITED	0.21%	0.42%	-6.25%
PTL	PARAMOUNT TRADING (JAMAICA) LIMITED	0.15%	0.53%	-1.86%
CAC	CAC 2000 LTD	0.15%	0.15%	-10.14%
MDS	MEDICAL DISPOSABLES & SUPPLI	0.11%	0.21%	18.18%
PURITY	CONSOLIDATED BAKERIES JAMAICA	0.09%	0.09%	17.67%
BPOW	BLUE POWER GROUP LTD	0.04%	0.28%	27.92%

FINANCIAL STATEMENTS

Sagicor Select Funds Limited SELECTMD

STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

(Expressed in thousands of Jamaican dollars)

	June 2023 Unaudited	June 2022 Unaudited	December 2022 Audited
ASSETS:			
Cash and Cash Equivalents	201,109	241,913	171,675
Financial assets at fair value through profit or loss	3,734,841	4,227,989	3,855,902
Receivables	21,413	14,148	3,107
TOTAL ASSETS	3,957,362	4,484,049	4,030,684
STOCKHOLDERS' EQUITY AND LIABILITIES:			
Equity attributable to:			
Stockholders' of the company			
Share capital	3,783,443	3,783,443	3,783,443
Retained earnings	153,168	593,179	226,145
Total Equity	3,936,611	4,376,622	4,009,588
Liabilities			
Other liabilities	20,751	107,428	21,096
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	3,957,362	4,484,049	4,030,684
Net asset value per stock unit	\$1.03	\$1.15	\$1.05



Colin Steele Chairman



Janene Shaw Director

FINANCIAL STATEMENTS

Sagicor Select Funds Limited SELECTMD

INCOME STATEMENT

for the six-months ended June 30, 2023

(Expressed in thousands of Jamaican dollars)

	Q2 2023 Unaudited	Q2 2022 Unaudited	June 2023 Year -to-date Unaudited	June 2022 Year -to-date Unaudited	December 2022 Full Year Audited
Revenue:					
Net changes in fair value on financial assets at fair value through P&L	13,406	40,824	(121,108)	278,145	(58,365)
Dividend income	28,243	26,088	55,778	53,359	107,302
Interest income	2,553	404	5,056	647.87	4,721
Net investment income	44,202	67,316	(60,274)	332,153	53,658
Net foreign currency gains/losses and other income	-	52	-	73	-
Total revenue	44,202	67,369	(60,274)	332,225	53,658
	-	-			
Expenses:					
Administration expenses	6,001	10,935	12,703	19,321	33,363
Total expenses	6,001	10,935	12,703	19,321	33,363
	-	-			
Net Profit/(Loss)	38,201	56,434	(72,977)	312,905	20,295
	-	-			
Issued shares ('000)	3,816,612	3,816,612	3,816,612	3,816,612	3,816,612
	-	-			
EPS	\$0.01	\$0.01	-\$0.02	\$0.08	\$0.01
	-	-			

FINANCIAL STATEMENTS

Sagicor Select Funds Limited SELECTMD

STATEMENT OF CHANGES IN EQUITY

for the six -months ended June 30, 2023

(Expressed in thousands of Jamaican dollars)

	Share Capital	Retained Earnings	Total Stockholders' Equity Unaudited
Period ended June, 2023:			
Balance as reported December 31, 2022	3,783,443	226,145	4,009,588
Total comprehensive loss for the period	-	(72,977)	(72,977)
Dividend			-
Balance as at June 30, 2023	3,783,443	153,168	3,936,611
Period ended June 30, 2022:			
Balance as reported December 31, 2021	3,783,443	280,274	4,063,717
Total comprehensive loss for the period	-	312,905	312,905
Dividend			-
Balance as at June 30, 2022	3,783,443	593,179	4,376,622

FINANCIAL STATEMENTS

Sagicor Select Funds Limited SELECTMD STATEMENT OF CASH FLOWS

for the six-months ended June 30, 2023
(Expressed in thousands of Jamaican dollars)

	June 2023 Year- to-date Unaudited	June 2022 Year- to-date Unaudited	December 2022 Full Year Audited
Cash Flows from Operating Activities:			
Net (Loss)/Profit	(72,977)	312,905	20,295
Adjustments for:			
Items not affecting cash:			
Adjustments for non-cash items, interest and dividends	(60,834)	17,621	(127,790)
Changes in other operating assets and liabilities	119,759	(200,440)	186,857
Interest received	5,060	648	4,192
Dividend received	38,425	53,359	104,725
Net cash inflow from operating activities	29,433	184,093	188,279
Cash Flows from Financing activities:			
Issue of ordinary shares	-	-	-
Interest paid	-	-	-
Dividends to stockholders	-	-	(74,424)
Net cash generated from financing activities	-	-	(74,424)
Cash and cash equivalents:			
Increase/(decrease)in cash and cash equivalents	29,433	184,093	113,856
Cash and cash equivalents at beginning of year	171,675	57,820	57,820
Cash and cash equivalents at end of period	201,109	241,913	171,675
Comprising:			
Balances with Banks	79,395	204,664	54,633
Securities purchased under resale agreements	121,714	37,250	117,042
	201,109	241,913	171,675

Notes to the Financial Statements

1. Identification and Principal Activities

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 Manufacturing & Distribution Select Fund is a close-ended non-diversified investment fund.

The Company entered into a management agreement with SIJL to act as Fund Manager. The Company is exempt from income tax.

2. Basis of preparation

This condensed interim financial report for the reporting period ended June 30, 2023, 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, 2022.

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.

Notes to the 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.

TOP TEN SHAREHOLDINGS

For Sagicor Select Funds Limited - Manufacturing & Distribution

As at June 30, 2023

Primary Account Holder	Joint Holder(s)	Volume	Percentage
1. JCSD TRUSTEE SERVICES LTD - SIGMA EQUITY			
		2,158,381,094	56.5523%
	Client total owners	2,158,381,094	56.5523%
2. SAGICOR POOLED EQUITY FUND			
		507,526,881	13.2978%
	Client total owners	507,526,881	13.2978%
3. JCSD TRUSTEE SERVICES LTD - SIGMA GLOBAL VENTURE			
		198,436,820	5.1993%
	Client total owners	198,436,820	5.1993%
4. JCSD TRUSTEE SERVICES LTD - SIGMA DIVERSIFIED INVESTOR			
		117,894,604	3.0890%
	Client total owners	117,894,604	3.0890%
5. ADVANTAGE GENERAL INSURANCE COMPANY			
		97,890,000	2.5648%
	Client total owners	97,890,000	2.5648%
6. JCSD TRUSTEE SERVICES LTD. A/C #76579-02			
		85,000,000	2.2271%
	Client total owners	85,000,000	2.2271%
7. PAM - POOLED EQUITY FUND			
		41,438,578	1.0857%
		2,300,000	0.0603%
	Client total owners	43,738,578	1.1460%
8. BULL INVESTMENT LIMITED			
		5,500,000	0.1441%
		3,550,000	0.0930%
	Client total owners	9,050,000	0.2371%
8. LLOYD H. DENNIS			
	IAN A. IVES	13,843,263	0.3627%
	Client total owners	13,843,263	0.3627%
10. BULL INVESTMENT LIMITED			
		9,884,486	0.2590%
		4,000,000	0.1048%
	Client total owners	13,884,486	0.3638%
9. DONALD R. GORDON			
		13,000,000	0.3406%
	Client total owners	13,000,000	0.3406%
Total Issued Capital		3,816,612,000	
Total Units Owned by Top 10 Shareholders		3,249,595,726	
Total Percentage Owned by Top 10 Shareholders			85.1435%

DIRECTORS AND THEIR CONNECTED PARTIES

For Sagicor Select Funds Limited - Manufacturing & Distribution

As at June 30, 2023

Director	Primary Name Joint Holder (s)	Relationship	Volume	Percentage
Omar Brown	Omar Brown	Self	-	0.0%
	Polliana Brown	Connected	-	0.0%
		Director Holdings	-	0.0%
		Connected Party	-	0.0%
		Combined Holdings	-	0.0%
Faith Vincent	Faith Vincent	Self	-	0.0%
	Jason Adams	Connected	-	0.0%
		Director Holdings	-	0.0%
		Connected Party	-	0.0%
		Combined Holdings	-	0.0%
Colin Steele	Colin Steele	Self	-	0.000%
		Director Holdings	-	0.000%
		Connected Party	-	0.000%
		Combined Holdings	-	0.000%
Janene Shaw	Janene Shaw	Self	-	0.000%
		Director Holdings	-	0.000%
		Connected Party	-	0.000%
		Combined Holdings	-	0.000%
Daniella Silvera	Daniella Silvera	Self	-	0.000%
	David Silvera	Connected	-	0.000%
		Director Holdings	-	0.000%
		Connected Party	-	0.000%
		Combined Holdings	-	0.000%
A. Cecile Watson	A. Cecile Watson	Self	-	0.000%
		Director Holdings	-	0.000%
		Connected Party	-	0.000%
		Combined Holdings	-	0.000%
Issued Shares			3,816,612,000	
Combined Directors' Holdings			-	0.000%
Combined Connected Party Holdings			-	0.000%
Combined Holdings			-	0.000%