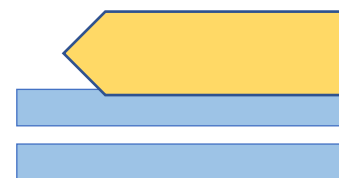




**REPORT FOR THE FOURTH QUARTER
ENDED SEPTEMBER 2023**

Building Wealth for our Investors

Directors' Report



QWI Investments (QWI) started the fiscal year ending September with much promise but ended at a break-even position that was well above the loss incurred in 2022. The 2023 fiscal year showed periods of better performance but these improvements were not sustained.

We enjoyed outstanding performance with growth of 42 percent in our overseas portfolio during the year, well above the gains in every USA market index, the market in which the bulk of QWI's overseas investments are invested.

QWI reported a net loss of \$55.1 million in the fourth quarter ending September 2023, reversing the \$56 million net profit reported for the third quarter to June 2023. That was helped considerably by the sharp increase in the price of Stationery and Office Supplies Ltd (SOS), following the announcement of a stock split. This reversal was due to a deterioration in both the USA and Jamaican markets

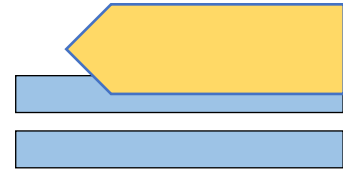
Market Backdrop

Market conditions in Jamaica during the quarter and the fiscal year to date have generally been unfavourable and resulted in significant unrealised losses in the portfolio, due in part to seasonal factors and the impact of higher interest rates. The Bank of Jamaica (BOJ) has kept a tight monetary policy all this year maintaining their policy rate at 7 percent since November 2022. For much of 2023, the rates on BOJ certificates of deposit have been close to 10 percent or more as the Bank pulled funds from the system.

The movements in the indices of the markets in which we are mainly invested were as follows

Quarters Ending	JSE Index	Junior Market Index	JSE Combined Index	S&P 500	NASDAQ Comp. Index	QWI NAV per share
September-2021	414,890	3,296	417,203	4,307	14,448	1.34
September-2022	361,691	4,229	376,221	3,586	10,575	1.27
June-2023	332,035	3,984	346,282	4,444	13,787	1.31
September-2023	327,042	3,959	341,388	4,288	13,219	1.27
Percentage Change						
4th Quarter	(1.5)%	(6.0)%	(1.4)%	(3.5)%	(4.1)%	(3)%
12 Months to Sep	(9.6)%	(6.4)%	(9.3)%	19.5%	25.0%	0%

Note – The JSE Combined Index is the benchmark used to evaluate the performance of QWI's Investment Committee



Fourth Quarter Results

QWI's Jamaican investments, which by September 2023 represented 74 percent of the Company's portfolio, produced unrealised losses of \$51.8 million and realised losses of \$11.7 million in the quarter — the latter as we rotated some of the stocks in the portfolio. Most of the unrealised losses incurred, arose from an almost complete reversal of the sharp gains in the June quarter in our holdings of Stationery and Office Supplies Ltd (SOS).

The Net Asset Value (NAV) of the Company's shares declined 3.0 percent from \$1.31 in June 2023 to \$1.27 at end September 2023.

This relative under-performance against the Jamaican indices reflects QWI's exposure to the USA market, which underwent larger declines in the quarter than those in the Jamaican markets.

The Company recorded unrealised losses of \$4.8 million in the overseas portfolios, partially offset by realised gains of \$0.4 million.

Unrealised exchange gains totalled \$2.7 million versus \$4.5 million a year ago.

Administration costs fell to \$14.6 million compared to \$23 million in the 2022 period.

Year To Date Results

The NAV of the Company's shares at the end September 2023 was unchanged from \$1.27 per share at end September 2022. This performance compares favourably with the 9.3 percent decline in the JSE Combined index.

For the year, the realised and unrealised gains in the Company's overseas holdings represented a 42 percent return on the opening overseas portfolio, compared with the 19.5 percent increase in the S&P 500 and 25 percent increase in the NASDAQ Composite Index in the period.

QWI's Jamaican portfolio produced realised and unrealised losses of \$128 million in the year to the end of September, almost equaling the \$144 million gains in the overseas portfolio.

Out of 165 securities listed on the Jamaica Stock Exchange at 30 September 2023, less than a quarter or 39 stocks reflected gains for the year, while 40 stocks recorded losses in excess of 20 percent.

Administration costs were \$81 million compared to \$90 million in 2022, primarily due to lower investment management and administration services expenses.

The Company realised a tax credit of \$58.9 million versus \$25 million a year ago. This change reflects write backs of deferred tax liabilities relating to unrealised gains, now reversed, in addition to the recognition of deferred tax assets on tax losses incurred during the year.

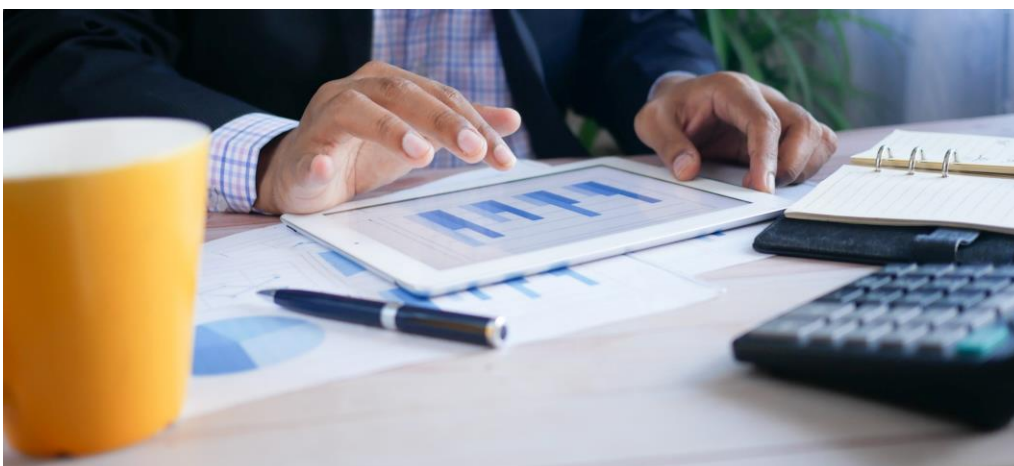
Statement of Financial Position

QWI ended the period with equity capital of \$1.73 billion unchanged from September 2022.

At the end of the year, the Company held US\$3.3 million in equities listed in the USA and Trinidad and Tobago. The portfolio includes positions in several leading information technology companies, defense contractors and companies involved in housing and construction.

Investments in local and overseas stocks amounted to \$2 billion, with 74 percent represented by Jamaican listed stocks and the majority of the balance invested in the USA market.

Margin loan borrowings at the end of September 2023 amounted to \$122 million compared with \$346 million at September 2022, of which \$151 million of the \$224 million reduction arose from a switch from higher interest rates and longer term borrowings to shorter term, lower cost bank advances.



Top 10 Holdings

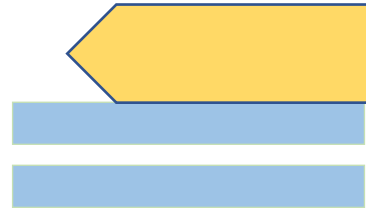
Jamaican and US Markets

at 30 September 2023

Jamaican Holdings	Shares	J\$ Value	US Holdings	Shares	US\$ Value
Access Financial Services	8,500,000	220,915,000	Meta	1,000	297,700
Caribbean Producers	13,011,828	131,744,759	United Rentals	500	222,285
Stationery & Office	67,500,000	129,262,500	Nvidia	400	173,996
Dolphin Cove	6,649,592	108,521,341	Alphabet	1,200	158,220
Caribbean Cement	1,400,000	94,003,000	Apple	800	136,968
General Accident	15,032,119	90,042,393	Boeing Co	650	124,592
Jamaica Broilers Group	2,100,000	70,875,000	Pulte Homes	1,500	111,075
JMMB Group	2,039,336	60,617,263	Northrop Grumman	250	110,047
Lasco Manufacturing	11,563,598	59,957,256	Lockheed Martin	250	102,240
GraceKennedy	700,794	51,508,359	Adobe	200	101,980

QWI's 10 largest listed holdings on the Jamaica Stock Exchange (JSE) represent 68 percent of our local quoted investments.

QWI's 10 largest USA listed holdings represent 54 percent of our USA quoted investments.



Outlook

The Company's Investment Committee actively monitors the investment portfolio and the markets in which we operate.

The year to September 2023 brought your Company mixed fortunes. For 2023/4, we do not expect to repeat the strong investment outturns from the USA over the last 12 months. However, we do expect Jamaican share prices to rise in 2024, as investors are aware that many local companies are posting good profit growth and earnings multiples are low, relative to current interest rates.

BY ORDER OF THE BOARD

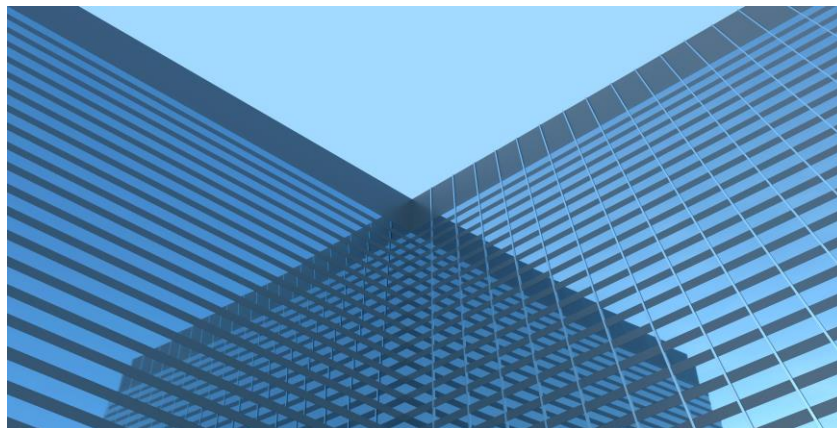
Dated the 27th^h day of October 2023

John Jackson

Chairman

John Mahfood

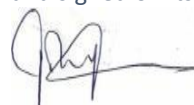
Director



Unaudited Statement of Financial Position

	September 2023	June 2023	(Audited) September 2022
Quoted Investments - local	1,490,154,355	1,578,790,116	1,637,917,353
Quoted Investments - overseas	517,174,847	523,060,922	342,719,946
Due from brokers and other receivables	15,240,752	6,643,931	107,542,622
Cash and bank	<u>2,195,897</u>	<u>3,673,795</u>	<u>43,537,845</u>
Total assets	<u>2,024,765,851</u>	<u>2,112,168,764</u>	<u>2,131,717,766</u>
Current liabilities and accruals	(62,524,423)	(74,379,008)	(32,389,214)
Bank overdrafts (Note 5)	<u>(151,457,758)</u>	<u>(148,901,229)</u>	-
Current Liabilities	(213,982,181)	(223,280,237)	(32,389,214)
Non-Current (Liabilities):			
Deferred tax asset /(liabilities)	42,556,846	19,560,569	(22,909,582)
Margin Loans (Note 5)	<u>(121,915,127)</u>	<u>(121,915,127)</u>	<u>(346,443,380)</u>
Total Non-Current Liabilities	<u>(79,358,281)</u>	<u>(102,354,558)</u>	<u>(369,352,962)</u>
Net assets	<u>\$1,731,425,389</u>	<u>1,786,533,969</u>	<u>1,729,975,590</u>
Share Capital /Reserves	1,664,798,938	1,664,798,938	1,630,355,586
Retained earnings	<u>66,626,451</u>	<u>121,735,031</u>	<u>99,620,004</u>
Total equity	<u>\$1,731,425,389</u>	<u>1,786,533,969</u>	<u>1,729,975,590</u>
Net Assets per Share (Note 8)	<u>\$1.27</u>	<u>\$1.31</u>	<u>\$1.27</u>

These financial statements were approved for issue by the Board of Directors on 27 October 2023 and signed on its behalf by:



John Jackson
Chairman



John Mahfood
Director

Unaudited Statement of Profit or Loss

	(Audited)			
	Quarter Ended		Year to date	
	September 2023	September 2022	September 2023	September 2022
Gains/(losses) from investments (Note 4)	(68,063,162)	(65,592,846)	16,007,256	5,623,973
Unrealised currency gain/(loss)	2,704,712	4,475,358	(2,511,278)	(984,435)
Dividend, interest and other income	<u>13,458,141</u>	<u>11,642,613</u>	<u>45,521,663</u>	<u>39,417,669</u>
	<u>(51,900,309)</u>	<u>(49,474,875)</u>	<u>59,017,641</u>	<u>44,057,207</u>
Administrative and other expenses	14,674,662	23,061,622	81,257,625	90,402,668
Interest expense	<u>8,581,996</u>	<u>7,047,738</u>	<u>35,305,974</u>	<u>28,132,256</u>
(Loss) before taxation	(75,156,967)	(79,584,235)	(57,545,958)	(74,477,717)
Taxation credit (Note 6)	<u>20,048,387</u>	<u>18,470,982</u>	<u>58,995,757</u>	<u>25,072,065</u>
(Loss)/Profit for the period				
being total comprehensive income/(loss)	<u>\$(55,108,580)</u>	<u>(61,113,253)</u>	<u>1,449,799</u>	<u>(49,405,652)</u>
Basic (Loss)/ Earnings per share (Note 9)	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>	<u>\$ 0.00</u>	<u>\$ (0.03)</u>

Unaudited Statement of Cash Flows

	Year Ended	
	September 2023	September 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income/(loss) after taxation	1,449,799	(49,405,652)
Taxation	(58,995,757)	(25,072,065)
Net unrealised investment (gains)	<u>(41,213,101)</u>	<u>(12,928,980)</u>
	<u>(98,759,059)</u>	<u>(87,406,697)</u>
Changes in operating assets and liabilities:		
Net Sales of quoted investments	14,521,198	303,647,512
Due from brokers and accounts receivable	<u>92,301,870</u>	<u>(80,011,982)</u>
Cash provided by operating activities	<u>106,823,068</u>	<u>136,228,833</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Accounts payable/margin loans /other	(194,393,044)	(48,948,510)
Drawdown of bank overdraft facilities	151,457,758	-
Taxation paid/Dividends declared	<u>(6,470,671)</u>	<u>(50,604,008)</u>
Cash (used in) Financing Activities	<u>(49,405,957)</u>	<u>(99,552,518)</u>
(Decrease)/ Increase in cash and bank balances	(41,341,948)	36,676,315
Cash and bank balances - beginning of period	<u>43,537,845</u>	<u>6,861,530</u>
Cash and bank balances - ending of period	<u>\$2,195,897</u>	<u>43,537,845</u>

Unaudited Statement of Changes in Shareholders' Equity

	Share Capital/ Reserves	Retained Earnings	Total
Total equity at 30 September 2021	<u>1,623,476,540</u>	<u>203,679,707</u>	<u>1,827,156,247</u>
Transfer from retained earnings to Franked Income Reserve	54,654,051	(54,654,051)	
Dividend declared	(47,775,005)		(47,775,005)
Total comprehensive (loss)	_____	<u>(49,405,652)</u>	<u>(49,405,652)</u>
Total equity at 30 September 2022	1,630,355,586	99,620,004	1,729,975,590
Transfer from retained earnings to Franked Income Reserve	34,443,352	(34,443,352)	-
Total comprehensive income	_____	<u>1,449,799</u>	<u>1,449,799</u>
Total equity at 30 September 2023	<u>\$1,664,798,938</u>	<u>66,626,451</u>	<u>1,731,425,389</u>

Notes to the Financial Statements

1. Identification

QWI Investments Limited (the Company) was incorporated on 18 December 2018. The Company is domiciled in Jamaica. Its registered office is situated at 2 Bell Road, Kingston 11, Jamaica W.I. The Company is listed on the Jamaica Stock Exchange.

At 30 September 2023, the Company was 44.34 percent (2021- 40.61 percent) owned by member companies of the Jamaican Teas Limited Group of Companies.

The principal activity is holding and managing investments in quoted securities. The Company's affairs are administered by Jamaican Teas Limited pursuant to a long-term Administration Services Agreement. The Company's income for the period was mainly realised and unrealised gains from investment activities.

2. Basis of Preparation

The financial statements are prepared in compliance with International Financial Reporting Standards, the provisions of the Jamaican Companies Act and the accounting policies as more fully described in the Companies audited financial statements ended 30 September 2023.

3. Investments

All investments comprise quoted equities valued at fair value through the profit and loss account (FVTPL).

4. Investment Activities

Investment activities during the periods ended 30 September comprised:

	Period Ended		Year Ended	
			(Unaudited)	(Audited)
	September		September	
	2023	2022	2023	2022
Realised (losses)/gains Jamaica	(11,748,693)	(36,411,559)	(34,050,679)	(11,489,147)
Realised gains - Overseas	443,704	13,406,461	8,844,834	4,184,141
Unrealised (losses)/gains -Jamaica	(51,893,802)	(6,690,342)	(94,440,103)	109,396,574
Unrealised gains/(losses)-Overseas	<u>(4,864,371)</u>	<u>(35,897,406)</u>	<u>135,653,204</u>	<u>(96,467,594)</u>
Total	<u>\$(68,063,162)</u>	<u>(65,592,846)</u>	<u>16,007,256</u>	<u>5,623,883</u>

Notes to the Financial Statements

5. Overdraft and Margin Loans

a) At 30 September 2023, the Company's assets were charged in the sum of \$112,075,835 in favour of Bank of Nova Scotia Jamaica Limited. The assets charged comprised listed shares owned by the Company and were pledged to secure an overdraft facility of \$50,000,000 at an interest rate of 8.5 percent per annum. \$48,766,996 was outstanding under this overdraft facility at 30 September 2023.

b) At 30 September 2023, the Company's assets were charged in the sum of \$400,000,000 in favour of Sagicor Bank Jamaica Limited. The assets charged comprised listed shares owned by the Company and were pledged to secure an overdraft facility of \$200,000,000 at an interest rate of 8.5 percent per annum. \$102,690,762 was outstanding under this overdraft facility at 30 September 2023.

c) At 30 September 2023, the Company's assets were charged in the sum of \$902,872,019 in favour of Victoria Mutual Investments Limited. The assets charged comprised listed shares owned by the Company and were pledged to secure loan facilities of \$443,000,000 at an interest rate of 15.5 percent per annum. The facilities are repayable at the option of the borrower at any time but in no event later than dates falling between 30 October 2025 and 31 March 2026 unless extended by the lender. \$121,915,127 was outstanding under these facilities at 30 September 2023.

6. Taxation

Taxation for the period to 30 September comprises:	2023	2022
Income tax withheld at source on dividend income	6,470,671	4,902,476
Deferred taxation (credit)/charge	<u>(65,466,428)</u>	<u>(29,974,541)</u>
Total	<u>\$ (58,995,757)</u>	<u>(25,072,065)</u>

7. Share Capital

Authorised: Unlimited ordinary shares at no par value

Number of shares Issued and fully paid:	<u>1,365,000,015</u>	<u>1,365,000,015</u>
---	----------------------	----------------------

8. Net Asset Value (NAV) per share

The Net Asset Value per share as at 30 September 2023 was \$ 1.27 (30 September 2022 - \$1.27) and this was derived by dividing the net assets of the Company of \$ 1,731,425,389 (2022 - \$1,729,975,590) by the 1,365,000,015 shares issued and outstanding as at 30 September 2023 (2022 - 1,365,000,015).



Building Wealth for our Investors

2 Bell Road, Kingston 11, Jamaica, W.I.

T: 876 656 9491-2 | F: 876 764 8015

www.qwiinvestments.com

Designed and produced by Virgen Advertising Limited