


MANAGEMENT DISCUSSION & ANALYSIS

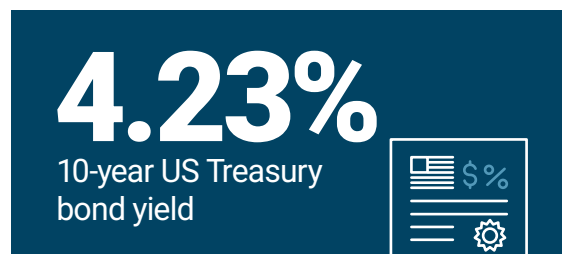
A photograph of a bird of prey, likely an osprey, perched on a nest made of sticks. The bird is facing right, with its wings slightly spread. The nest is a large, messy pile of dry sticks and branches. The background is a blurred, dark green, suggesting a forest or natural habitat. The title text "MANAGEMENT DISCUSSION & ANALYSIS" is overlaid in large, bold, white capital letters on the left side of the image.

STERLING INVESTMENTS LIMITED
FIRST 9 MONTHS OF 2025

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Economic Summary:

The first nine months of 2025 were characterized by significant trade, economic and geopolitical uncertainty. However, market optimism and strong liquidity flows in the US drove global bond and stock markets higher toward the end of the period.



2025 Year to date: In the first 9 months of 2025, the S&P 500 rose by 13.7%, the Dow Jones Index increased by 9.1% and the Euro Stoxx 600 increased by 10%. US Treasury yields were lower in the quarter (i.e. prices were higher) with the 2-year yield closing the third quarter at 3.61%, the 10 year at 4.15% and the 30 year at 4.73%. Gold ended the quarter at US\$3,846.09, a year-to-date gain of 46.5%.


Local: The Bank of Jamaica (BOJ) kept its policy rate to 5.75% on September 30th, 2025. As at September 30, 2025, the 90 Day GOJ T-Bill yielded approximately 5.2%, the 180 day T Bill yielded roughly 5.24% and the 30-day BOJ CD yield was 6.22% (a decline of 12 basis points Year to Date). The YOY inflation rate decelerated to 2.1% year on year in September 2025 and the Jamaica Stock Exchange Main Index declined by 3.2% in the first nine months of 2025. The JMD/USD weighted average sell rate moved from J\$156.42 / US\$1 on December 31st, 2024, to J\$161.22/ US\$1 on September 30th, 2025, a 3.07% depreciation.


FINANCIAL OVERVIEW


Highlights:

 **39%**
increase in net profit

 **14%**
increase in total revenue

 **48%**
decline in interest expense

 Liquid, High-quality portfolio of US\$ securities generates steady income.

 Liquidity on hand to take advantage of market volatility.

Quarter on Quarter: Third Quarter of 2025

(June 30, 2025- September 30, 2025)

Total revenue for the third quarter of 2025 totalled J\$32.7 million compared to J\$67.6 million in the same period of 2024. This was primarily driven by lower foreign exchange gains and lower gains on sale of investment securities in the third quarter of 2025. Total expenses moved from J\$21.5 million in the third quarter of 2024 to J\$15.4 million in the third quarter 2025. This was primarily the result of declines in interest expense (lower Fed Funds rate) and higher fair value gains on securities held at fair value through profit and loss. The combined impact of these factors resulted in a net profit movement from J\$46.1 million in the third quarter of 2024 to J\$17.3 million for the third quarter of 2025.

First 9 months of 2025:

(January 1 – September 30, 2025)

Income Statement: Revenue totalled J\$159.6 million in the first 9 months of 2025, roughly 14% more than the J\$139.7 million generated in the first 9 months of 2024. This was primarily the result of higher interest income, higher unrealized foreign exchange gains and higher gains on sale of investments. Unrealized Foreign Exchange gains totalled J\$49.3 million in the first nine months of 2025 compared to J\$35 million in the same period of 2024. Gains on sale of investments totalled J\$10.3 million for the first 9 months of 2025 versus J\$7.8 million for the same period in 2024. Net operating income in the first 9 months of 2025 totalled J\$99.9 million vs. J\$71.8 million in the first 9 months of 2024. This was fuelled by a 48% decline in interest expense (which moved from J\$20.7 million in the first 9 months of 2024 to J\$10.83 million in the same period in 2025) and a 13% decline in operating expenses (which moved from J\$45.6 million in the first 9 months of 2024 to J\$39.5 million in the first 9 months of 2025). The decline in interest expense is due to the reductions in the Fed Funds rate that took place in late 2024 and 2025.

For the first 9 months of the fiscal year, net profit moved from J\$71.8 million in 2024 to a profit of J\$99.9 million in 2025, an increase of 39%. This was primarily the result of higher interest income, higher gains on sale of investments, higher unrealized FX gains and a reduction in interest and operating expenses.

Balance Sheet: SIL recorded total assets as at September 30, 2025, of J\$1.89 billion, roughly 1.3% less than the J\$1.91 billion as at September 30, 2024. This partially reflects management's decision to take profit on some positions and to wait to re-deploy the proceeds. Total liabilities declined by 33.5% to J\$267.9 million as at September 30, 2025 from J\$402.7 million as at September 30, 2024. This was primarily the result of declines in the margin loan payable. Total equity increased to J\$1.6 billion as at September 30th 2025, from J\$1.5 billion at September 30th 2024.

Outlook:

Management anticipates that the current political and economic uncertainty will provide attractive investment opportunities. The portfolio is well – positioned to take advantage of the market volatility as management has liquidity available and leverage is below historical levels and below internal limits. This process is unlikely to be linear and will likely be punctuated with periods of volatility and price declines.

Sterling Investments Limited Unaudited Consolidated Statement of Financial Position as at September 30, 2025

	Unaudited as at 30-Sep-25	Unaudited as at 30-Sep-24	Audited as at 31-Dec-24
ASSETS			
Cash Resources			
Cash & Cash Equivalents	2,537,927	212,252	1,232,534
Accounts Receivable	37,616,582	43,516,508	33,866,505
Due To/From Related Company	104,736,961	-	101,599,951
Investment Securities	1,744,903,517	1,871,369,460	1,692,453,830
TOTAL ASSETS	1,889,794,988	1,915,098,221	1,829,152,820
LIABILITIES			
Margin Loan Payables	234,416,760	364,849,280	320,995,961
Other Payables	25,140,739	20,021,314	18,079,108
Due to Related Company	8,360,464	17,838,272	5,000,275
Manager's Preference Shares	10,000	10,000	10,000
TOTAL LIABILITIES	267,927,963	402,718,866	344,085,344
SHAREHOLDERS' NET EQUITY			
Share Capital	1,082,642,872	1,077,132,839	1,078,200,924
Prepaid Share Reserve	5,451,767	2,030,496	1,093,578
Fair Value Reserve	4,299,673	(71,625,831)	(89,189,730)
Retained Earnings	529,472,712	504,841,851	494,962,704
TOTAL EQUITY	1,621,867,024	1,512,379,355	1,485,067,476
TOTAL LIABILITIES AND EQUITY	1,889,794,988	1,915,098,221	1,829,152,820

Sterling Investments Limited

**Unaudited Consolidated statement of Profit or Loss and
Other Comprehensive Income**
for the period ended September 30, 2025

	Unaudited 9 months ended 30-Sep-25	Unaudited 9 months ended 30-Sep-24	Unaudited 3 months ended 30-Sep-25	Unaudited 3 months ended 30-Sep-24	Audited 12 months ended 31-Dec-24
Revenue:					
Interest income calculated using the effective interest method	99,928,388	96,880,827	32,478,956	35,128,364	128,565,498
Foreign exchange gain/(loss)	49,318,323	35,007,811	(81,328)	22,778,418	10,623,468
Net gain on sale of debt investment securities at FVOCI	10,333,070	7,816,085	280,533	9,647,860	7,816,085
	159,579,781	139,704,722	32,678,162	67,554,642	147,005,051
Expenses:					
Interest expense calculated using the effective interest method	(10,830,929)	(20,744,829)	(3,395,908)	(6,609,156)	(26,683,412)
Impairment (loss) on financial instruments	(610,385)	(2,422,157)	(129,774)	(1,438,884)	(5,919,003)
Fair value (loss)/gain on securities at FVTPL	(8,729,690)	836,550	2,948,375	(134,778)	4,760,565
Other operating expenses	(39,491,191)	(45,600,038)	(14,849,644)	(13,311,179)	(57,150,732)
	(59,662,196)	(67,930,475)	(15,426,950)	(21,493,998)	(84,992,582)
Operating Profit	99,917,586	71,774,248	17,251,212	46,060,644	62,012,469
Other Income	72,130	35,209	13,858	36,434	(82,158)
Manager's preference share dividend	-	-	-	0	0
Profit before taxation	99,989,715	71,809,457	17,265,069	46,097,078	61,930,311
Taxation	-	-	-	-	-
Profit for the year	99,989,715	71,809,457	17,265,069	46,097,078	61,930,311
Other comprehensive income:					
<i>Item that will not be reclassified to profit or loss:</i>					
Change in fair value of FVOCI equity investments, net	-	2,437,719	-	1,575,041	777,718
<i>Items that are or may be reclassified subsequently to</i>					
Movement in fair value reserve					
realised (gain)/loss on sale of FVOCI debt investment securities reclassified to profit or loss	(7,948,708)	(7,956,186)	485,629	(9,320,198)	(7,050,124)
Change in fair value of FVOCI debt instrument securities, net of expected credit loss	101,438,111	109,505,378	81,545,624	58,515,190	92,695,418
Total other comprehensive income for the period	93,489,403	103,986,911	82,031,253	50,770,033	86,423,012
Total comprehensive income for the period	193,479,118	175,796,368	99,296,322	96,867,111	148,353,323
Shares outstanding	435,078,065	433,084,294	435,078,065	433,084,294	433,229,803
Earnings per stock unit:					
Basic and diluted earnings per stock unit	0.23	0.17	0.04	0.11	0.14

Sterling Investments Limited

Consolidated Unaudited Statement of Changes in Equity

For period ended September 30, 2025

	Share capital	Prepaid share reserve	Fair value reserve	Retained earnings	Total
Balance at December 31, 2024	1,078,200,924	1,093,578	(89,189,730)	494,962,704	1,485,067,476
Comprehensive income:					
Profit for period	-	-	-	99,989,715	99,989,715
Other comprehensive income:					-
Fair value change on equity investment, net			-		-
Realised gain on disposal of FVOCI debt instrument securities reclassified to profit or loss			(7,948,708)		(7,948,708)
Change in fair value of FVOCI debt instrument securities net	-	-	101,438,111		101,438,111
Total Other Comprehensive Income			93,489,403	99,989,715	193,479,118
Total comprehensive income/(loss)	1,078,200,924	1,093,578	4,299,673	594,952,419	1,678,546,594
Transactions with owners:					
Share issued during the period	3,348,370	-	-	-	3,348,370
Transfer of prepayment of shares	1,093,578	(1,093,578)			-
Prepayments for shares		5,451,767			5,451,767
Dividends	-	-	-	(65,479,707)	(65,479,707)
Total transactions with owners	4,441,948	4,358,189	-	(65,479,707)	(56,679,570)
Balance at September 30, 2025	1,082,642,872	5,451,767	4,299,673	529,472,712	1,621,867,024

For period ended June 30, 2024

	Share capital	Prepaid share reserve	Fair value reserve	Retained earnings	Total
Balance at December 31, 2023	1,072,990,211	2,030,463	(175,612,742)	468,801,059	1,368,208,991
Comprehensive income:					
Profit for period	-	-	-	71,809,457	71,809,457
Other comprehensive income:					-
Fair value change on equity investment, net			2,437,719		2,437,719
Realised gain on disposal of FVOCI debt instrument securities reclassified to profit or loss			(7,956,186)		(7,956,186)
Change in fair value of FVOCI debt instrument securities net	-	-	109,505,378		109,505,378
Total Other Comprehensive Income			103,986,911	71,809,457	175,796,368
Total comprehensive income/(loss)	1,072,990,211	2,030,463	(71,625,831)	540,610,516	1,544,005,359
Transactions with owners:					
Share issued during the period	4,142,628	-	-	-	4,142,628
Transfer of prepayment of shares		(2,030,463)			(2,030,463)
Prepayments for shares		-			-
Dividends	-	2,030,496	-	(35,768,665)	(33,738,169)
Total transactions with owners	4,142,628	33	-	(35,768,665)	(31,626,004)
Balance at September 30, 2024	1,077,132,839	2,030,496	(71,625,831)	504,841,851	1,512,379,355

Sterling Investments Limited
Consolidated Unaudited Statement of Cash Flows
For period ended September 30, 2025

	Period ended 30-Sep-25	Period ended 30-Sep-24	Audited 31-Dec-24
Cash flows from operating activities			
Profit for the period	99,989,715	71,809,457	61,930,311
Adjustments for :			
Interest Income	(89,097,458)	(96,880,827)	(129,983,407)
Interest Expense	10,830,929	20,744,829	26,683,412
Impairment loss on investment securities	610,385	2,422,157	5,919,003
Net gain/(loss) on sale of debt investment securities at FVOCI	10,333,070	7,816,085	(7,816,085)
Unrealised fair value (loss)/gain on securities at FVTPL	8,729,690	(836,550)	(4,760,565)
Managers preference share dividend	-	-	(4,499,486)
	41,396,331	5,075,152	(52,526,817)
Changes in :			
Accounts receivable and prepayments	1,022,225	(163,314)	(89,098)
Margins loans payable	(86,579,201)	(65,299,512)	(109,152,831)
Due from Related Company	(3,137,010)	-	(101,599,951)
Other payables	7,061,631	2,739,598	5,296,878
Due to Related Company	3,360,189	10,674,790	(2,163,207)
Acquisition of investment securities	(483,856,124)	(346,947,867)	(296,684,360)
Net proceeds from sale of securities	505,222,695	344,887,140	472,034,702
	(15,509,264)	(49,034,013)	(84,884,684)
Interest Received	84,325,156	98,779,582	141,457,951
Interest Paid	(10,830,929)	(20,744,829)	(26,683,412)
Net cash provided by operating activities	57,984,963	29,000,740	29,889,855
Cash flows from financing activities			
Issue of ordinary shares	4,441,948	4,142,628	5,210,713
Complementary share purchase programme	4,358,189	32	(936,885)
Dividend paid	(65,479,707)	(35,768,665)	(35,768,666)
Net cash used by financing activities	(56,679,570)	(31,626,005)	(31,494,838)
Increase/(Decrease) in cash and cash equivalents	1,305,393	(2,625,265)	(1,604,983)
Cash and cash equivalent at the beginning of period	1,232,534	2,837,517	2,837,517
Cash and cash equivalent at the end of period	2,537,927	212,252	1,232,534

FINANCIAL STATEMENTS

1. Identification

Sterling Investments Limited (“the Company”) is incorporated in Saint Lucia under the International Business Companies Act. Its registered office is located at 20 Micoud Street, Castries St. Lucia. The principal activities of the company are holding and trading of securities and other investments. The company is listed on the Jamaica Stock Exchange. These consolidated unaudited financial statements comprise the financial statements of the Company and its wholly owned subsidiary, Sterling Investments (Cayman) Limited (together referred to as “The Group”). Sterling Investments (Cayman) Limited is incorporated in Cayman as an Exempted Company with Limited Liability. The principal activities of Sterling Investments (Cayman) Limited are holding and trading of securities and other investments.

2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended December 31, 2024 (‘last annual financial statements’). They do not include all of the information required for a complete set of IFRS financial statements. However, selected

explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company’s financial position and performance since the last annual financial statements. These interim financial statements are presented in Jamaican dollars, which is the Company’s functional currency.

3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

4. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Company’s financial statements as at and for the year ended December 31, 2024, which was prepared in accordance with International Financial Reporting Standards (IFRS).

Top Ten Shareholders

as at September 30, 2025

Shareholder Name	# Shares	Ownership
PAM – Pooled Equity Fund	72,119,499	16.57%
ATL Group Pension Fund Trustees Nominee Limited	47,856,608	10.99%
GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	34,848,550	8.0%
VMWealth Equity Fund	25,110,758	5.77%
Claudine Murphy	18,403,854	4.23%
Charles A. Ross	15,856,116	3.64%
Cable and Wireless Jamaica Pension Fund	14,492,015	3.33%
Satyanarayana Parvataneni	13,331,84	3.06%
Everton Lloyd McDonald	13,331,584	3.06%
National Insurance Fund	10,808,645	2.32%

Shareholdings of Directors

as at September 30, 2025

Name	# Shares	Ownership
Derek Jones	Nil	
Michael Bernard	Nil	
Maxim Rochester	Nil	
Charles Ross	15,856,116	3.64%
Marian Ross	1,722,076	0.38%

Shareholdings of Connected Parties

as at September 30, 2025

Name	# Shares	Ownership
Charles Ross	15,856,116	3.64%
Marian Ross	1,722,076	0.38%
Charles Andrew Ross	807,185	0.19%
Natalie Farrell-Ross	111,849	0.03%



Director



Director