MANAGEMENT DISCUSSION & ANALYSIS



STERLING INVESTMENTS LIMITED

FIRST 9 MONTHS OF 2026

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Economic Summary:

The first nine months of 2026 were characterized by significant trade, economic and geopolitical uncertainty mainly due to the US-Iran war and the status of the Strait of Hormuz. Stock markets and bond prices fell towards the end of the period as the US Federal Reserve hiked interest rates, for the first time since 2023, by 25 basis points.

5.28%
10-year US Treasury bond yield



2026 Year to date: In the first 9 months of 2026, the S&P 500 advanced by 11.40%, the Dow Jones Index gained by 8.60% and the Euro Stoxx 600 increased by 6.50%. US Treasury yields were higher in the quarter (i.e. prices were lower) with the 2-year yield closing the second quarter at 4.89%, the 10 year at 5.28% and the 30 year at 5.63%. Gold ended the quarter at US$4,141.19 per ounce, a year-to-date loss of 4.20%.

Local: The Bank of Jamaica (BOJ) increased its policy rate by 50 basis points to 6.00% on September 28th, 2026. As at September 30, 2026, the 90-Day GOJ T-Bill yielded approximately 5.57%, the 180-day T Bill yielded roughly 5.55% and the 30-day BOJ CD yield was 6.22% (an elevation of 26 basis points Year to Date). The YOY inflation rate accelerated to 8.60% year on year in September 2026 (outside the BOJ target range of 4-6%) and the

FINANCIAL OVERVIEW

Highlights:

15.85%
increase in equity

41.89%
decline in interest expense

Significant increase in fair value gains.

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

Liquidity on hand to take advantage of market volatility.

Jamaica Stock Exchange Main Index increased by 19.70% in the first nine months of 2026. The JMD/USD mid-market rate moved from J$158.93 / US$1 on December 31st, 2025 to J$158.64/ US$1 on September 30th, 2026, a 0.2% appreciation.

First 9 months of 2026

(January 1 – September 30, 2026)

Income Statement: Operating revenue totalled J$70.99 million in the first 9 months of 2026 vs J$159.58 million over the corresponding period in 2025. This was primarily the result of a one-time J$34.69 million net loss on sale of equity investment securities and the 0.2% Jamaican dollar appreciation in the first 9 months of 2026 compared with the 3.07% depreciation that occurred in the same period of 2025. The appreciation in the JMD led to unrealized foreign exchange losses in Q3 2026 totalling -J$4.23 million compared with the unrealized gains in Q3 of the previous year of J$49.32 million respectively. Management expects that short term currency movements will create volatility in top line revenue. Gains on sale of debt investments totalled J$13.40 million for the first 9 months of 2026 versus J$10.33 million for the same period in 2025. Fair value gains on securities held at fair value through profit or loss totalled J$85.2 million in 2026 compared to a loss of J$8.7 million in the first 9 months of 2025. This reflects the appreciation in value of equities acquired by the company.

For the first 9 months of the fiscal year, net profit moved from J$99.99 million in 2025 to a profit of J$99.90 million in 2026. Profit was essentially unchanged as the gain in the fair value on securities held at fair value through the profit and loss of J$85.21 million offset both higher operating expenses in 2026 of -J$50.12 million, and the net loss on sale of equity investment securities of -J$34.69 million over the same period in 2025.

Management remains focused on medium to long term performance and is keenly managing duration while observing inflation and interest rate expectations. Short term local currency movements should not alter the long-term value

for shareholders or the US$ dividend payments that are made from net cash flows each year.

Balance Sheet: SIL recorded total assets as at September 30, 2026 of J$1.885 billion, slightly less, 0.24%, than the J$1.890 billion as at September 30, 2025. An increase in cash used in operating activities, specifically for margin loan payables over the two time periods accounts for this. Total liabilities decreased by 97.62% to J$6.38 million as at September 30, 2026 from J$267.93 million as at September 30, 2025. This was the result of management's strategic decision to significantly pay down margin, leading to a large decrease in the margin loan payables item. Total equity increased to J$1.88 billion as at September 30 2026, from J$1.62 billion at September 30, 2025, a 15.85% increase. This was due primarily to a substantial inflow of capital at the end of June, through the Complementary Share Purchase Programme (CSPP). These funds will be used to continue to expand the investment portfolio, diversify its holdings and to increase exposure to international equities.

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 the company has liquidity available and leverage is below internal limits. The process however, is unlikely to be linear and will likely be punctuated with periods of volatility.

Price is what you pay.
Value is what you get.

Warren Buffett



Sterling Investments Limited

Consolidated Unaudited Balance Sheet

As at September 30, 2026

	Unaudited 9 months ended **Sep-26**	Unaudited 9 months ended **Sep-25**	Audited 12 months ended **Dec-25**
ASSETS			
Cash Resources			
Cash &Cash Equivalents	1,909,301	2,537,927	1,382,068
Accounts Receivable	37,272,492	37,616,582	33,494,803
Due To/From Related Company	103,678,220	104,736,961	101,238,490
Investment Securities	1,742,444,583	1,744,903,517	1,828,682,744
TOTAL ASSETS	**1,885,304,597**	**1,889,794,988**	**1,964,798,105**
LIABILITIES			
Margin Loan Payables	(30,154,529)	234,416,760	299,471,910
Other Payables	17,132,384	25,140,739	21,034,405
Due to Related Company	19,388,067	8,360,464	2,598,934
Manager's Preference Shares	10,000	10,000	10,000
TOTAL LIABILITIES	**6,375,922**	**267,927,963**	**323,115,249**
SHAREHOLDERS' NET EQUITY			
Share Capital	1,378,911,234	1,082,642,872	1,087,005,906
Prepaid Share Reserve	4,272,230	5,451,767	1,538,351
Fair Value Reserve	(88,252,839)	4,299,673	7,592,353
Retained Earnings	583,998,050	529,472,712	545,546,246
TOTAL EQUITY	**1,878,928,675**	**1,621,867,024**	**1,641,682,856**
TOTAL LIABILITIES AND EQUITY	**1,885,304,597**	**1,889,794,988**	**1,964,798,105**

Sterling Investments Limited

Consolidated Unaudited Income Statement

For the period ended September 30, 2026

	Unaudited 9 months ended Sep-26	Unaudited 9 months ended Sep-25	Unaudited 3 months ended Sep-26	Unaudited 3 months ended Sep-25	Audited 12 months ended Dec-25
Revenue:					
Interest income calculated using the effective interest method	96,520,148	99,928,388	32,986,853	32,478,956	134,034,679
Foreign exchange (loss)/gain	(4,225,717)	49,318,323	13,728,855	(81,328)	35,637,997
Net gain on sale of debt investment securities at FVOCI	13,401,243	10,333,070	316,040	280,533	11,327,454
Net (loss) on sale of equity investment securities at FVTPL	(34,696,343)	-	-		-
	70,999,331	**159,579,781**	**47,031,748**	**32,678,162**	**181,000,130**
Expenses:					
Interest expense calculated using the effective interest method	(6,294,062)	(10,830,929)	(539,146)	(3,395,908)	(15,408,147)
Impairment (loss)/credit on financial instruments	-	(610,385)	-	(129,774)	6,654,890
Fair value gain/(loss) on securities at FVTPL	85,211,066	(8,729,690)	(40,741,590)	2,948,375	3,022,145
Other operating expenses	(50,120,409)	(39,491,191)	(19,410,953)	(14,849,644)	(59,292,526)
	28,796,595	**(59,662,196)**	**(60,691,689)**	**(15,426,950)**	**(65,023,638)**
Operating Profit	**99,795,926**	**99,917,586**	**(13,659,941)**	**17,251,212**	**115,976,492**
Other Income	103,578	72,130	63,835	13,858	86,758
Profit Before Income tax	99,899,504	99,989,716	(13,596,106)	17,265,070	116,063,250
Profit for Period	**99,899,504**	**99,989,716**	**(13,596,106)**	**17,265,070**	**116,063,250**
Other comprehensive income:					
Item that will not be reclassified to profit or loss:					
Movement in fair value reserve					
Realised gain/(loss) on sale of FVOCI debt investment securities reclassified to profit or loss	5,871,286	(7,948,708)	-	485,629	(9,125,113)
Change in fair value of FVOCI debt instrument securities	(101,716,478)	101,438,111	(59,928,428)	81,545,624	105,907,196
Total other comprehensive(loss)/income for the period	(95,845,192)	93,489,403	(59,928,428)	82,031,253	96,782,083
Total comprehensive income/(loss) for the period	**4,054,312**	**193,479,118**	**(73,524,534)**	**99,296,322**	**212,845,333**
Shares outstanding	460,055,376	435,078,065	460,055,376	435,078,065	435,469,620
Earnings per stock unit:					
Basic and diluted earnings per stock unit	0.22	0.23	(0.03)	0.04	0.27

Sterling Investments Limited

Consolidated Unaudited Statement of Changes in Equity

For period ended September 30, 2026

	Share capital	Prepaid share reserve	Fair value reserve	Retained earnings	Total
Balance at December 31, 2025	**1,087,005,906**	**1,538,351**	**7,592,353**	**545,546,246**	**1,641,682,856**
Comprehensive income:					
Profit for period	-	-	-	99,899,504	99,899,504
Other comprehensive income:					-
Fair value change on equity investment, net			-		-
Realised gain on disposal of FVOCI debt instrument securities reclassified to profit or loss			5,871,286		5,871,286
Change in fair value of FVOCI debt instrument securities net	-	-	(101,716,478)		(101,716,478)
Total Other Comprehensive Income			(95,845,192)	99,899,504	4,054,312
Total comprehensive income/(loss)	1,087,005,906	1,538,351	(88,252,839)	645,445,750	1,645,737,168
Transactions with owners:					
Share issued during the period	291,905,329	-	-	-	291,905,329
Transfer of prepayment of shares	-	(1,538,351)			(1,538,351)
Prepayments for shares		4,272,230			4,272,230
Dividends	-	-	-	(61,447,701)	(61,447,701)
Total transactions with owners	291,905,329	2,733,879	-	(61,447,701)	233,191,507
				-	
Balance at September 30, 2026	**1,378,911,235**	**4,272,230**	**(88,252,839)**	**583,998,049**	**1,878,928,675**
	1,378,911,235 -	4,272,230 -	(88,252,839) -	583,998,049 -	1,878,928,675

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**

Sterling Investments Limited

Consolidated Unaudited Statement of Cash Flows

For Period ended September 30, 2026

	Period ended Sep-26	Period ended Sep-25	Audited Dec-25
Cash flows from operating activities			
Profit for the period	99,899,504	99,989,715	116,063,250
Adjustments for :			
Interest Income	(96,520,148)	(89,097,458)	(134,034,679)
Interest Expense	6,294,062	10,830,929	15,408,147
Impairment loss/(credit) on FVOCI	-	610,385	(6,654,890)
Net loss/(gain) on sale of debt investment securities at FVOCI	13,401,243	10,333,070	(11,327,454)
Unrealised fair value (gain)/loss on quoted equities at FVTPL	(50,514,723)	8,729,690	(3,022,145)
	(27,440,061)	**41,396,331**	**(23,567,771)**
Changes in :			
Accounts Receivable	1,037,499	1,022,225	(15,274)
Margins Loans Payable	(329,626,439)	(86,579,201)	(21,524,051)
Due from Related Company	(2,439,730)	(3,137,010)	361,461
Other Payables	(3,902,021)	7,061,631	2,955,297
Due to Related Company	16,789,133	3,360,189	(2,401,341)
Acquisition of investment securities	(366,132,441)	(483,856,124)	(584,140,804)
Net proceeds from sale of securities	393,638,889	505,222,695	565,698,462
	(318,075,172)	**(15,509,264)**	**(62,634,021)**
Interest Received	91,704,961	84,325,156	134,421,655
Interest Paid	(6,294,062)	(10,830,929)	(15,408,147)
Net cash (used in)/provided by operating actvities	**(232,664,274)**	**57,984,963**	**56,379,487**
Cash flows from financing activities			
Issue of Preference shares			
Issue of ordinary shares	291,905,329	4,441,948	8,804,982
Prepaid Share Reserve	2,733,879	4,358,189	444,773
Dividend payment	(61,447,701)	(65,479,707)	(65,479,708)
Net cash provided by (used in) financing activities	**233,191,507**	**(56,679,570)**	**(56,229,953)**
Increase in cash and cash equivalents during the period	527,233	1,305,393	149,534
Cash and cash equivalent at the beginning of period	1,382,068	1,232,534	1,232,534
Cash and cash equivalent at the End of period	**1,909,301**	**2,537,927**	**1,382,068**

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, 2025 ('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, 2025, which was prepared in accordance with International Financial Reporting Standards (IFRS).

Director

Director

Top Ten Shareholders

as at September 30, 2026

Shareholder Name	# Shares	Ownership
PAM – Pooled Equity Fund	81,721,336	14.16%
ATL Group Pension Fund Trustees Nominee Limited	47,856,608	9.07%
GraceKennedy Pension Fund Custodian Ltd for GraceKennedy Pension Scheme	40,315,250	7.63%
VMWealth Equity Fund	25,110,758	4.76%
Claudine Murphy	20,660,749	3.91%
Charles A. Ross	16,510,291	3.13%
Cable and Wireless Jamaica Pension Fund	14,492,015	2.75%
Satyanarayana Parvataneni	13,351,430	2.53%
Everton Lloyd McDonald	13,331,584	2.52%
National Insurance Fund	10,080,645	1.91%

Shareholdings of Directors

as at September 30, 2026

Name	# Shares	Ownership
Derek Jones	Nil	
Michael Bernard	Nil	
Maxim Rochester	Nil	
Pierre Williams	Nil	
Charles Ross	16,510,291	3.13%
Marian Ross	1,735,415	0.33%

Shareholdings of Connected Parties

as at September 30, 2026

Name	# Shares	Ownership
Charles Ross	16,510,291	3.13%
Marian Ross	1,735,415	0.33%
Charles Andrew Ross	840,487	0.16%
Natalie Farrell-Ross	116,462	0.02%