

-  Select Financial
-  Select Manufacturing & Distribution

Annual General Meeting  
July 2021

# Sagicor Select Funds Limited



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# About The Fund

- ❑ Sagicor Select Funds Limited primary purpose is the trading in securities listed on recognized exchanges.
- ❑ The Company has five (5) classes of shares, Class A bring special rights to SIJL; and the remaining each representing a separate fund.
  - Class B Shares represents ownership of the Financial Select Fund (SELECTF); and
  - Class C shares represents ownership of the Manufacturing & Distribution Select Fund (SELECTMD).
- ❑ The objective of the LEF is to provide similar exposure to price and yield performance of the stated index.
  - The SELECTF is expected to track the JSE Financial Index and
  - The SELECTMD is expected to track the JSE Manufacturing and Distribution Index.
- ❑ These are indices established by the Jamaica Stock Exchange.



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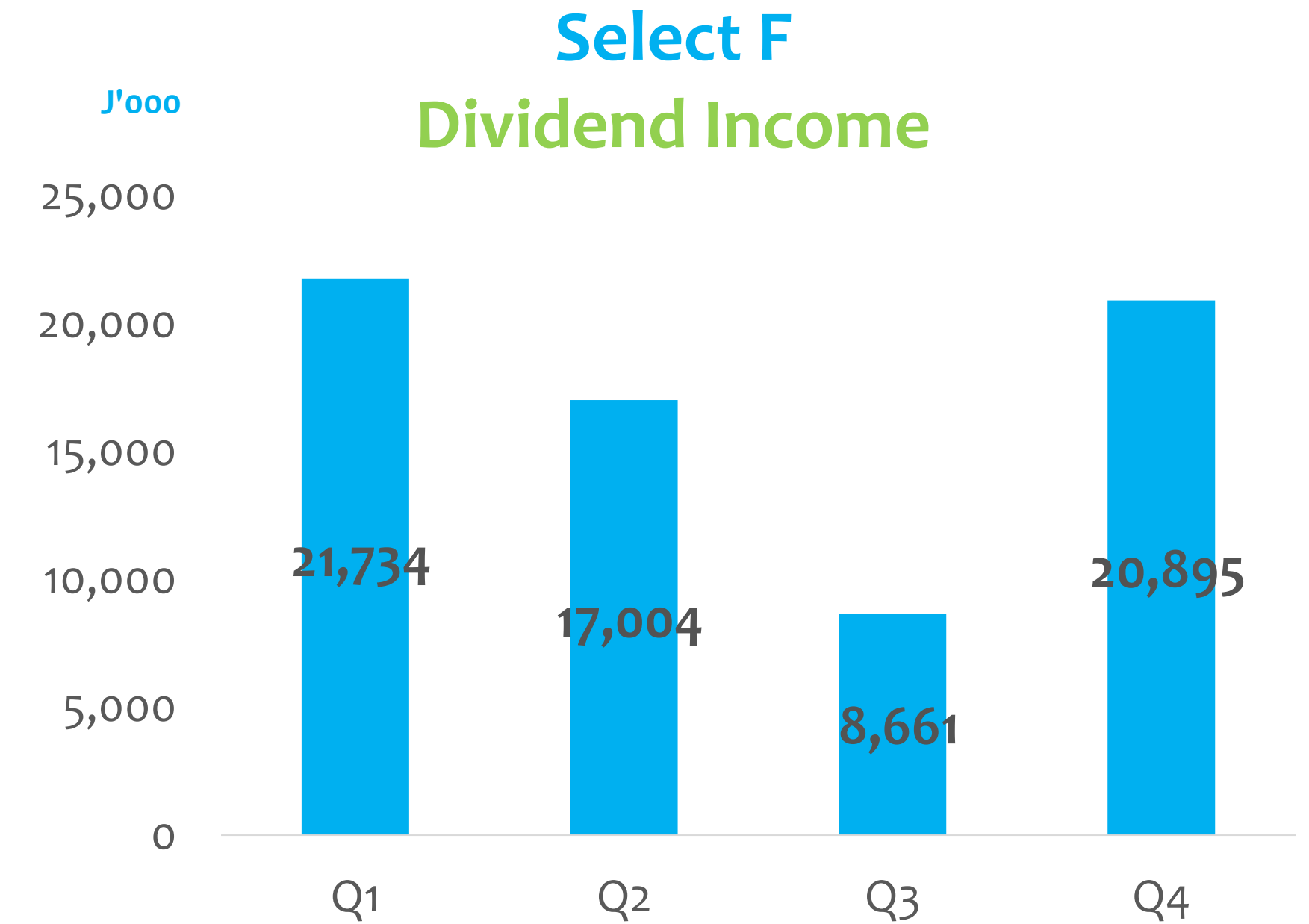
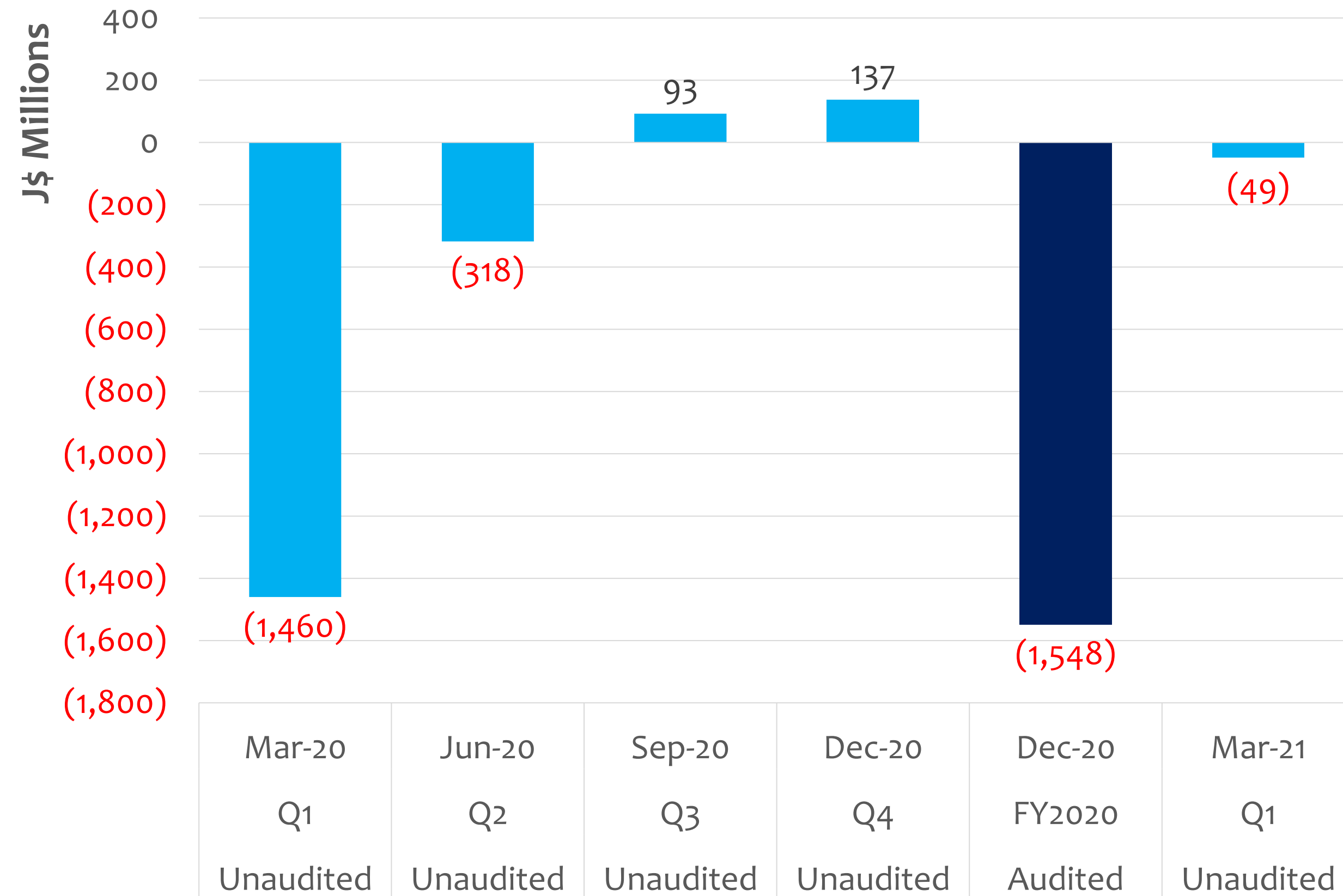
Financial Fund

# Financial Statement



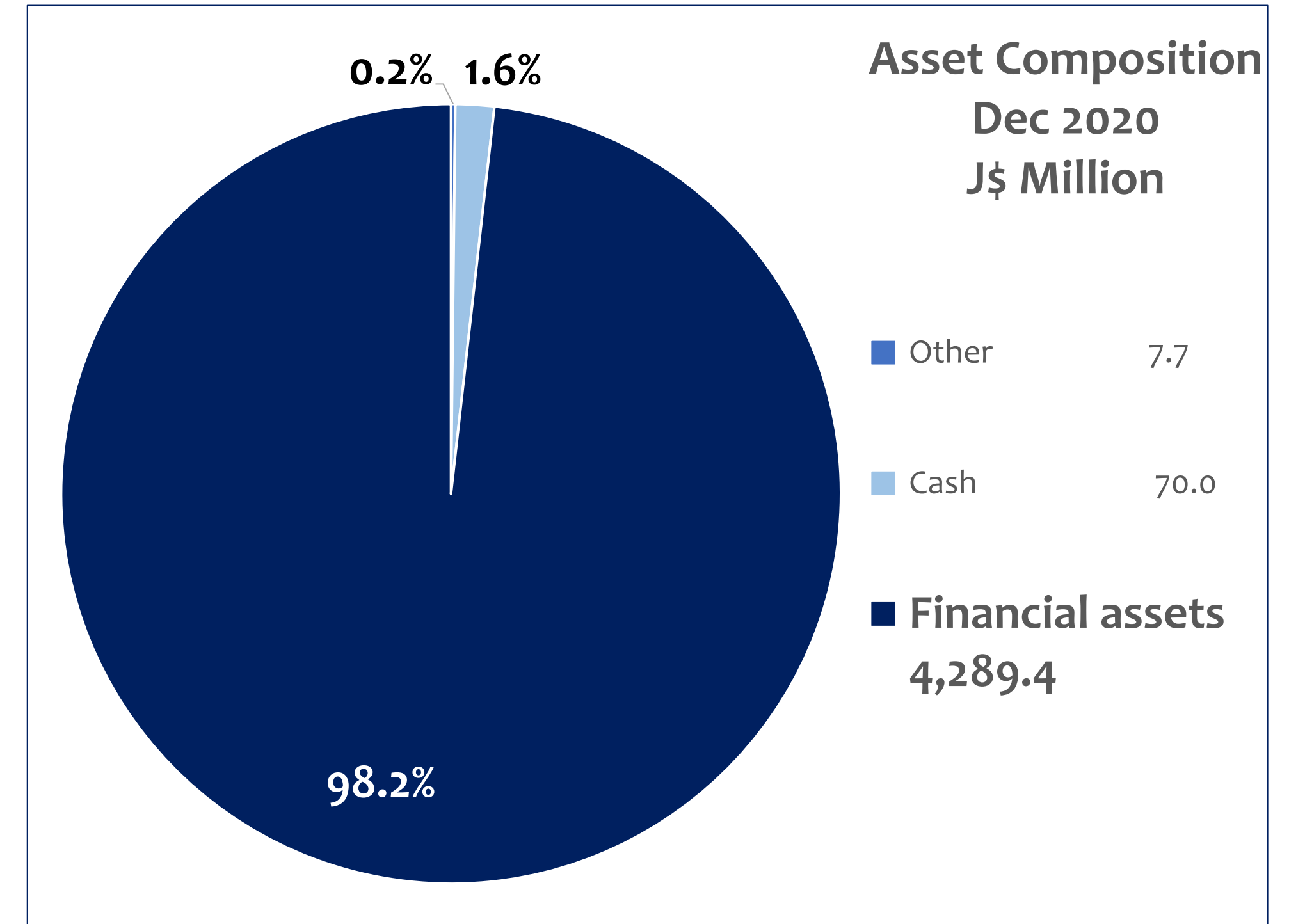
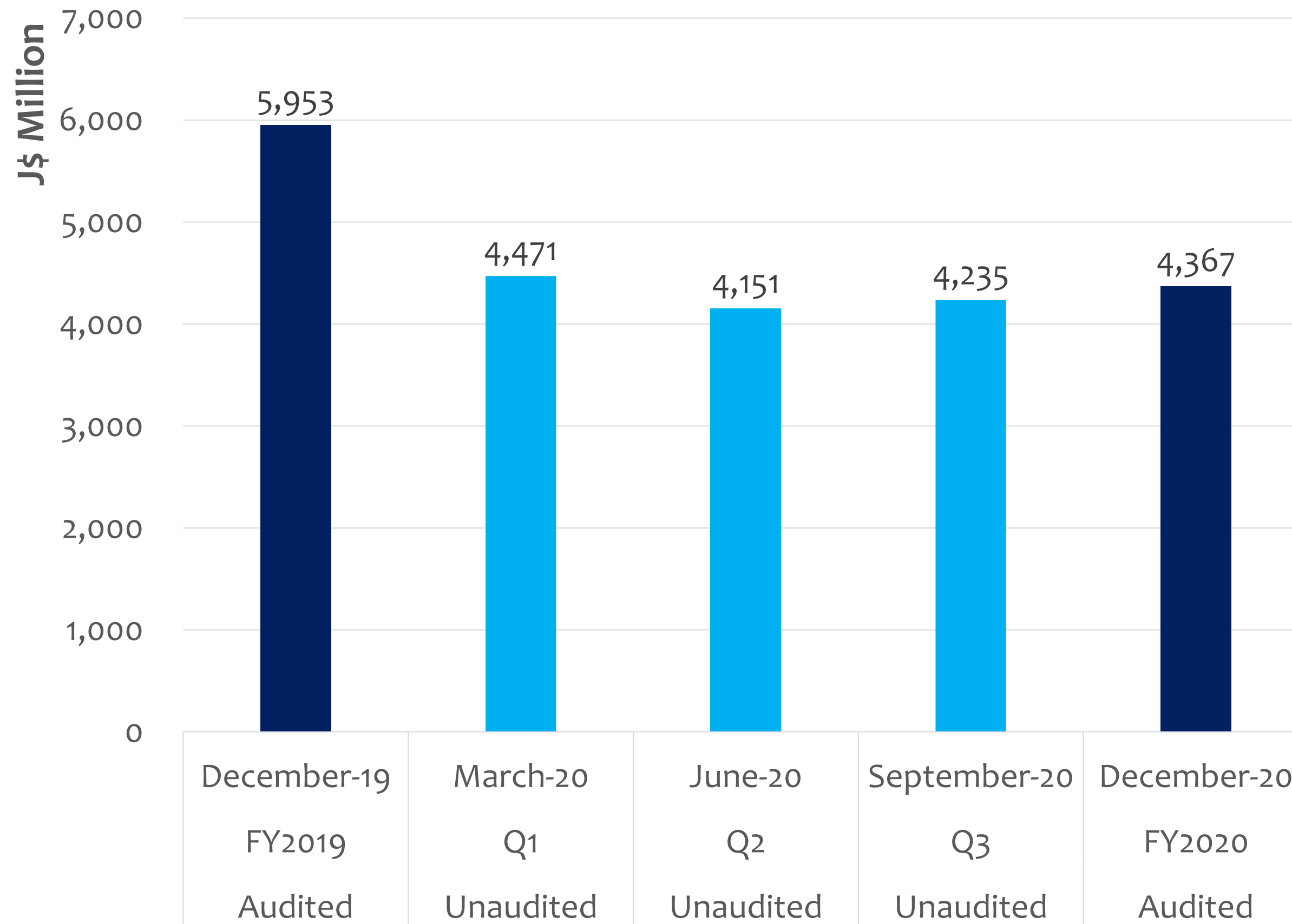
# SELECTF - Financial Review

## Financial Select - INCOME



# SELECTF - Financial Review

## Total Assets





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Financial Fund

# Portfolio Holdings & Index Composition



## PROFILE & OBJECTIVES

This Portfolio is comprised of financial companies listed on the Jamaican Stock Exchange (JSE)

Stated Objectives of the Fund are:

1. To provide exposure to Financial Sector companies listed on the JSE; and
2. To track the JSE Financial Index, established by the Jamaica Stock Exchange.



# SELECTF - Holdings

## Portfolio Holdings & Index Composition – Dec 2020

FUND TOP Ten (10) HOLDINGS - DEC 2020			
STOCKS	VALUE 2019	VALUE 2020	WEIGHT
NCB FINANCIAL GROUP LTD	2,150,328,917	1,552,728,096	35.7%
SAGICOR GROUP JAMAICA LTD	1,319,746,038	845,687,166	19.4%
SCOTIA GROUP JAMAICA	770,164,001	605,906,151	13.9%
PAN JAMAICA INVT TRUST LTD	464,506,478	314,246,720	7.2%
BARITA INVESTMENTS LTD	232,469,000	293,211,091	6.7%
JMMB GROUP LTD	400,865,999	284,121,099	6.5%
PROVEN INVESTMENTS LTD	94,459,050	71,510,060	1.6%
JAMAICA STOCK EXCHANG LTD	92,769,225	67,637,985	1.6%
MAYBERRY JAMAICAN EQUITIES L	78,177,563	48,617,888	1.1%
VICTORIA MUTUAL INVESTMENTS	54,610,133	36,324,942	0.8%

INDEX TOP Ten (10) HOLDINGS - DEC 2020	
STOCKS	WEIGHT
NCB FINANCIAL GROUP LIMITED	34.9%
SAGICOR GROUP JAMAICA	19.1%
SCOTIA GROUP JAMAICA	13.6%
PAN-JAMAICAN INVESTMENT TRUST	7.2%
BARITA INVESTMENTS LIMITED	8.8%
JMMB GROUP LIMITED	6.7%
PROVEN INVESTMENTS LIMITED	2.2%
JAMAICA STOCK EXCHANGE	1.4%
MAYBERRY JAMAICAN EQUITIES LTD.	1.0%
VICTORIA MUTUAL INVESTMENTS LIMITED	0.9%

1. To provide exposure to Financial Sector companies listed on the JSE

# SELECTF – 2020 Acquisitions

Stocks	Transaction Type	Value			
		Q1	Q2	Q3	Q4
CABROKERS	BUY	34,208		2,163,272	
KEY	BUY		256,963		
NCBFG	BUY			12,370,018	
SGJ	BUY			9,617,031	
BIL	BUY			19,880,484	



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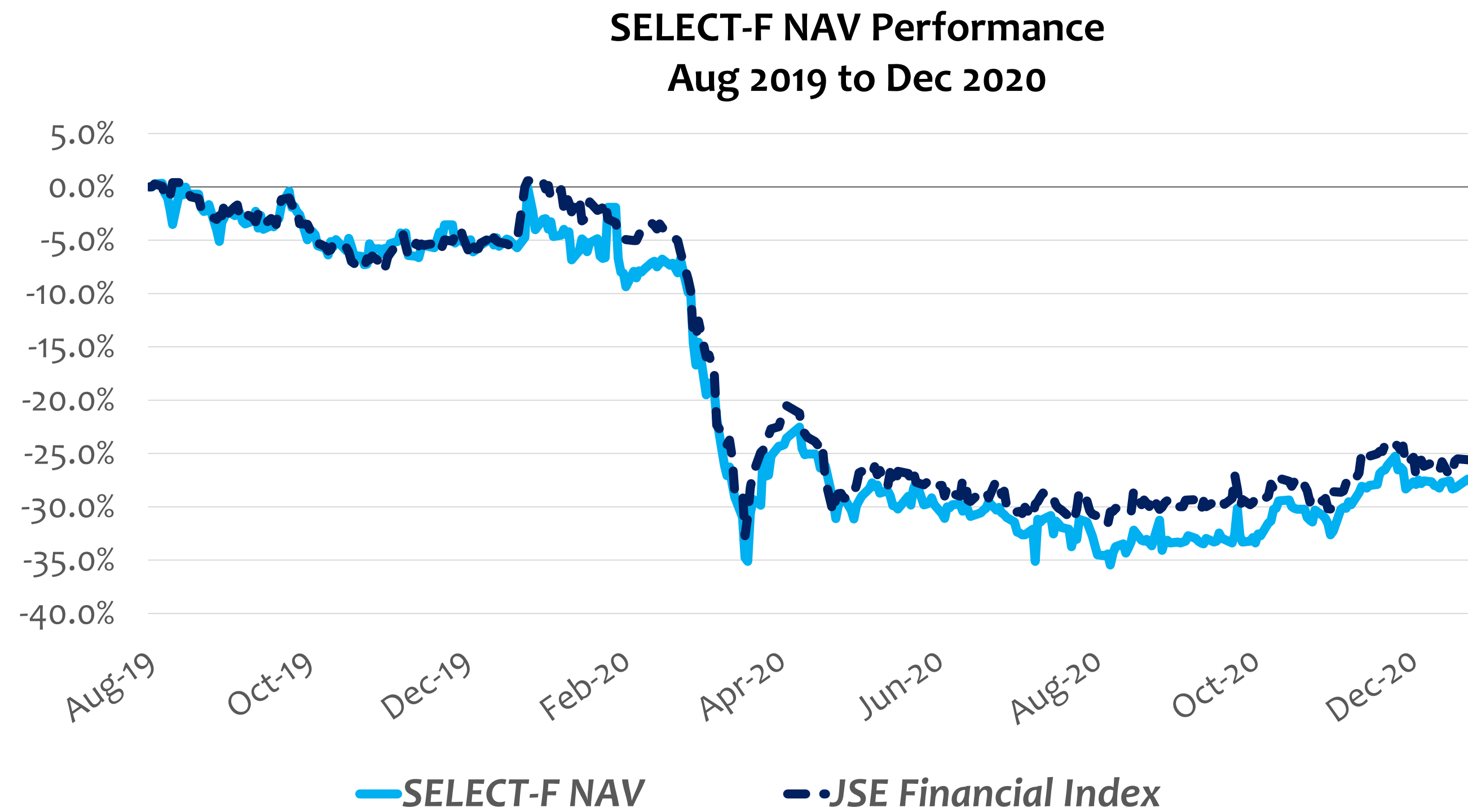
Financial Fund

**NAV Performance**



# SELECTF - Performance

## NET ASSET VALUE (NAV) and INDEX PERFORMANCE



2. To track the JSE Financial Index.



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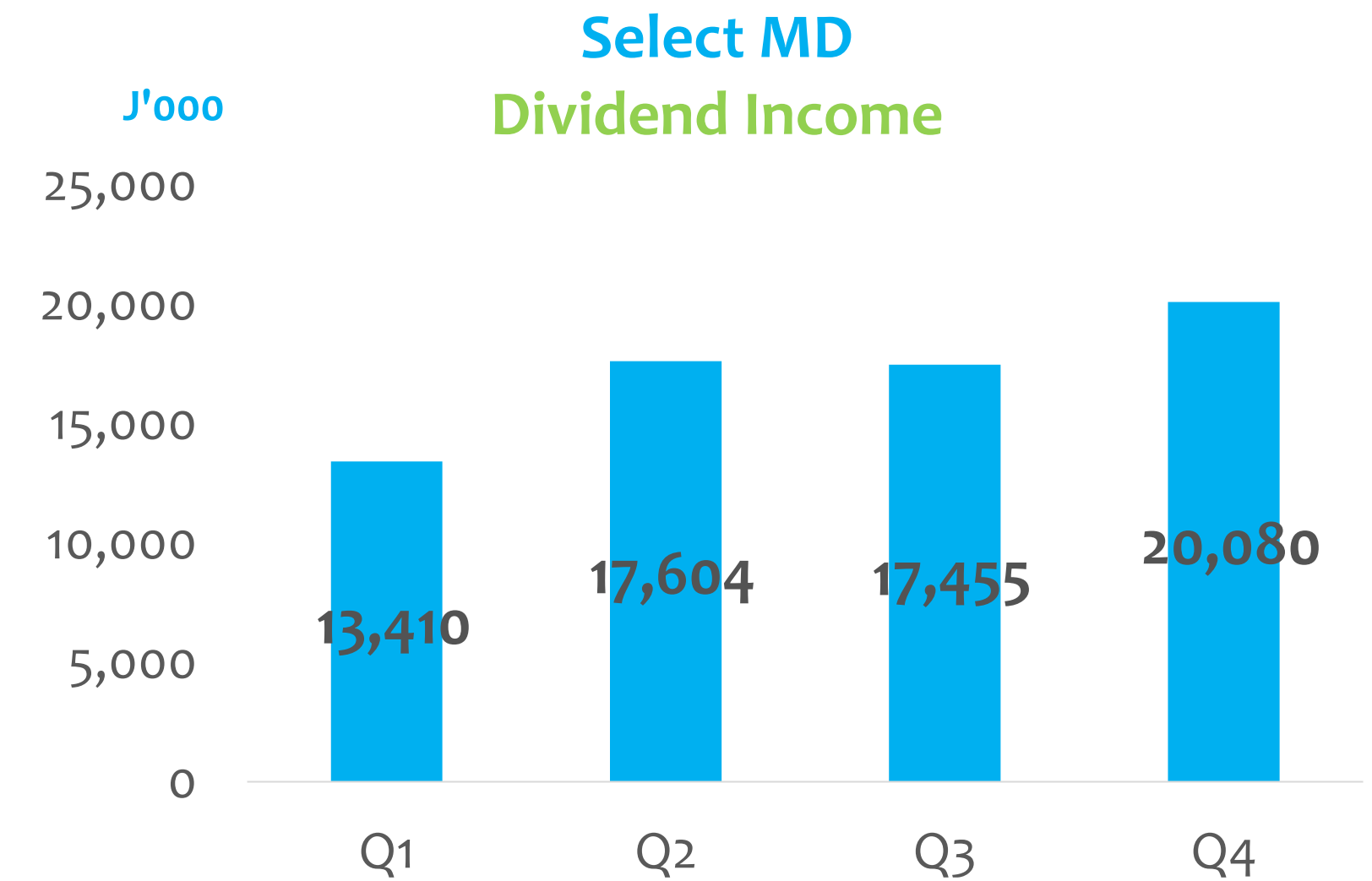
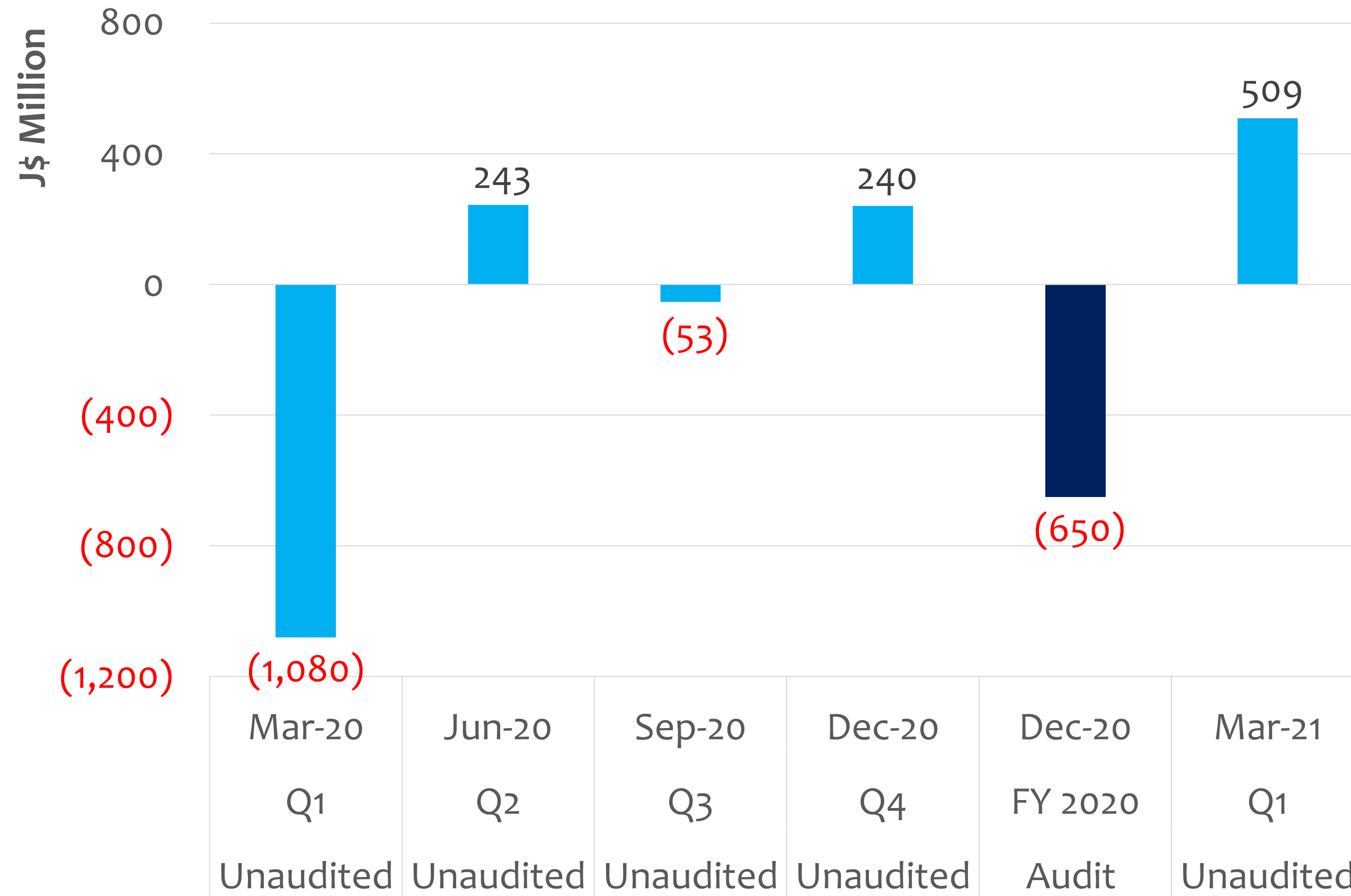
SELECTFUNDS

**Manufacturing & Distribution Fund**

**FINANCIAL STATEMENT**

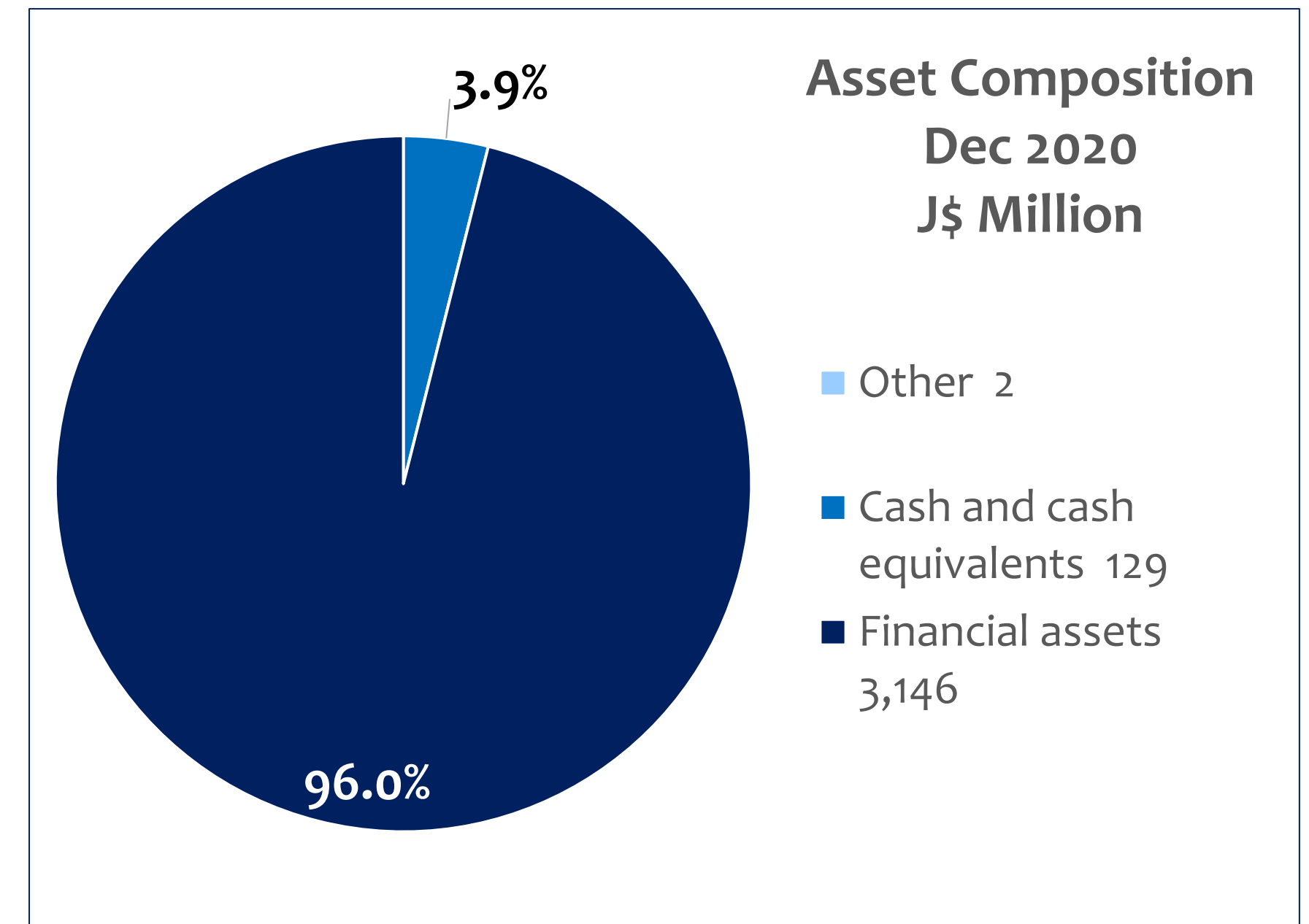
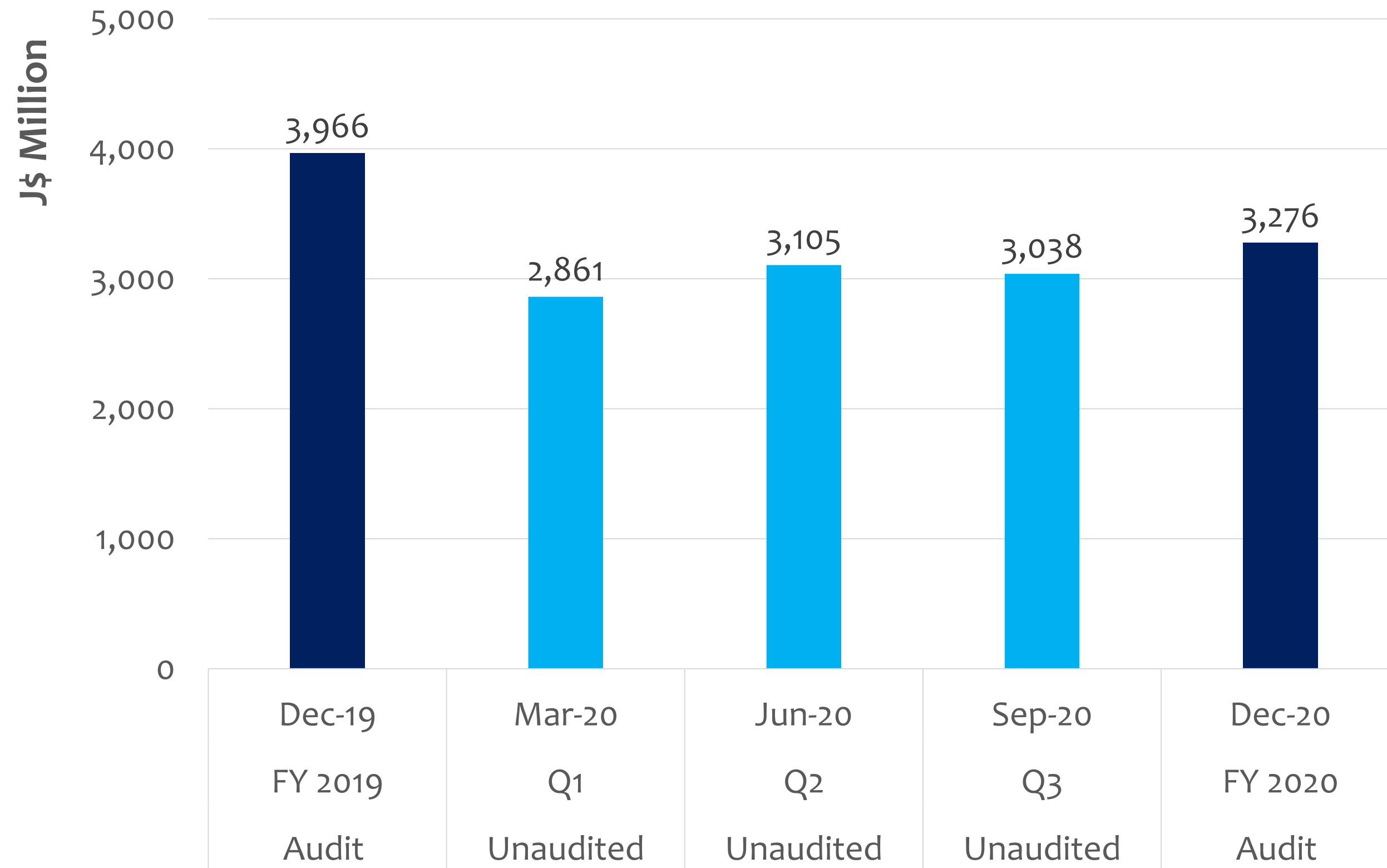
# SELECTMD – Financial Review

SELECT M&D Income



# SELECTMD – Financial Review

## TOTAL ASSETS





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**Manufacturing & Distribution Fund**

**Portfolio Holdings & Index Composition**



## PROFILE & OBJECTIVES

This Portfolio is comprised of manufacturing & distribution companies listed on the Jamaican Stock Exchange (JSE)

Stated Objectives of the Fund are:

1. To provide exposure to Manufacturing & Distribution Sector companies listed on the JSE;
2. To track the JSE Manufacturing & Distribution Index, established by the Jamaica Stock Exchange.

# SELECTMD - Holdings

## Portfolio Holdings & Index Composition – DEC 2020

FUND TOP HOLDINGS - DEC 2020			
STOCK	VALUE 2019	VALUE 2020	WEIGHT
GRACEKENNEDY LTD	582,586,501	549,160,768	16.8%
WISYNCO GROUP LTD	705,383,105	501,931,352	15.4%
CARIBBEAN CEMENT CO LTD	580,322,115	410,321,872	12.6%
SEPROD LTD	290,995,516	376,392,658	11.5%
CARRERAS LTD	420,184,815	373,268,474	11.4%
JAMAICA BROILERS GROUP LTD	401,875,356	268,602,948	8.3%
JAMAICA PRODUCERS GROUP	153,767,363	136,323,873	4.2%
LASCO MANUFACTURING LTD	150,957,804	121,422,582	3.7%
LASCO DISTRIBUTORS LTD	75,827,466	78,222,261	2.4%
FONTANA LTD	-	55,656,194	1.7%

INDEX TOP HOLDINGS - DEC 2020	
STOCKS	WEIGHT
WISYNCO GROUP LIMITED	15.9%
GRACEKENNEDY LTD.	15.7%
CARIBBEAN CEMENT CO.	13.4%
SEPROD LTD	11.9%
JAMAICA BROILERS GROUP LTD	8.9%
CARRERAS LTD	8.8%
JAMAICA PRODUCERS GROUP	5.9%
LASCO MANUFACTURING LIMITED	4.0%
LASCO DISTRIBUTORS LIMITED	2.8%
FONTANA LIMITED	1.8%

1. To provide exposure to Manufacturing & Distribution Sector companies listed on the JSE

# SELECTMD – 2020 Acquisition & Disposition

Stocks	Transaction Type	Value			
		Q1	Q2	Q3	Q4
FOSRICH	BUY	17,324,528	-	-	-
SEP	SELL	-	(2,768,807)	-	-
INDIES	BUY	133,867	-	-	-
JAMT	BUY	983,542	-	-	-
FTNA	BUY	70,205,444	-	-	-
HONBUN	BUY	1,197,981	-	-	-
AMG	BUY	2,100,000	-	-	-
LASD	BUY	7,722,805	-	-	-
CAC	BUY	884,400	-	-	-
LUMBER	BUY	2,999,166	2,260,000	-	-
WISYNCO	BUY	19,125,000	472,600	-	-
GK	BUY	-	34,200,000	-	-
JBG	BUY	-	2,243,880	-	-
MAILPAC	SELL	-	(32,525,416)	-	-
MDS	BUY	-	7,032,801	1,410,166	-
PTL	BUY	-	5,670,343	-	-
SALF	BUY	-	10,999,223	364,500	364,975
PURITY	BUY	-	1,640,000	-	-
BPOW	BUY	-	821,801	438,199	-
KREMI	BUY	-	4,381,254	558,746	-
JP	BUY	15,163,279	2,630,254	8,336,643	-
DTL	SELL	-	-	(19,320,050)	-
TROPICAL	BUY	-	-	-	1,168,896
CPFV	SELL	-	-	-	(5,844,186)
<b>Net Purchase</b>		<b>137,840,012</b>	<b>42,595,547</b>	<b>(8,211,796)</b>	<b>(4,310,315)</b>



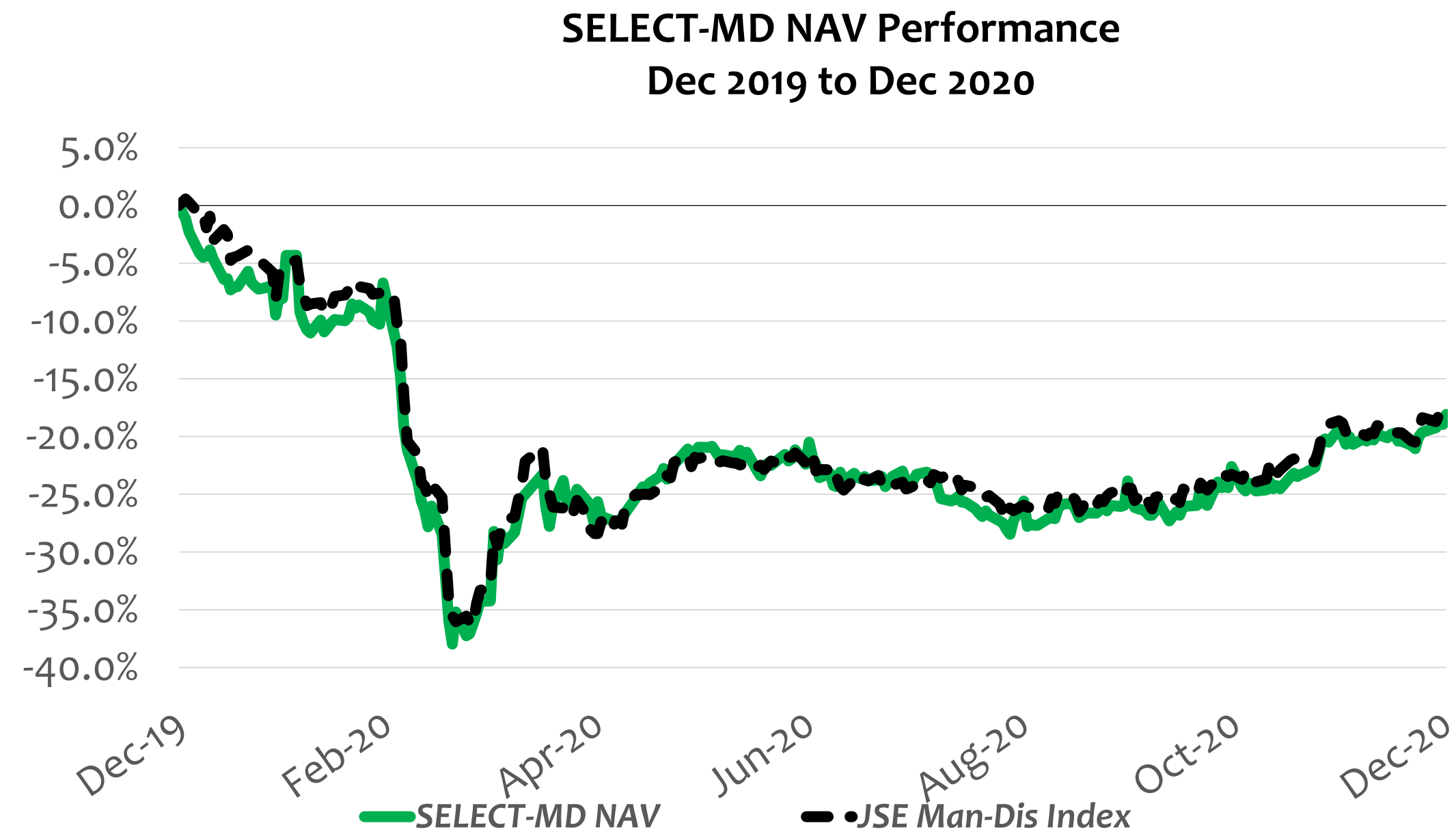
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**Manufacturing & Distribution Fund  
NAV PERFORMANCE**

# SELECTMD - Performance

## NET ASSET VALUE (NAV) and INDEX PERFORMANCE



2. To track the JSE Manufacturing & Distribution Index.



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# Dividend Payment



# Dividend Payment

	FINANCIAL SELECT	M&D SELECT
<b>Net Amount Available for Dividends – Combined 2019, 2020 &amp; Q1 2021 (J\$'000)</b>	<b>28,696</b>	<b>40,172</b>
<b>Recommended Pay-Out</b>	<b>100%</b>	<b>100%</b>
<b>Estimated Dividend Payment per share</b>	<b>\$ 0.0056</b>	<b>\$ 0.0105</b>



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# Factors Impacting Performance





# PERFORMANCE FACTORS

**1. ECONOMIC ENVIRONMENT**

**2. *MARKET EXPECTATION OF LISTED COMPANIES FUTURE PROFITABILITY***

# PERFORMANCE FACTORS

## JSE Combined Index - Rate of Return Dec 2015 - Dec 2020



# PERFORMANCE FACTORS

## Top 10 Performer: Financial Companies

Security	Close price (\$)		% Change
	31-Dec-19	31-Dec-20	
EPLY	14.10	28.00	98.58%
KEY	3.20	5.96	86.29%
PJX	7.20	9.50	31.94%
BIL	72.36	81.89	13.17%
ROC	3.53	3.80	7.65%
SCIUS	0.13	0.13	-1.54%
SIL	3.34	2.94	-12.05%
SGJ	55.48	44.12	-20.49%
ProvenJA	46.52	35.42	-23.86%
JMMBGL	46.55	34.69	-25.47%

## Top 10 Performer: Manufacturing Companies

Security	Close price (\$)		% Change
	31-Dec-19	31-Dec-20	
SEP	50.98	64.90	27.30%
KREMI	3.61	4.19	16.26%
CFF	1.50	1.61	7.33%
FOSRICH	4.18	4.11	-1.71%
LUMBER	1.64	1.54	-6.13%
DTL	2.56	2.38	-7.34%
SALF	33.62	30.60	-8.96%
GK	69.43	62.68	-9.73%
CAR	8.16	7.22	-11.47%
CAC	15.00	13.00	-13.33%

## 1. ECONOMIC ENVIRONMENT

### **COVID-19 Impact**

- The onset of Corona Virus brought considerable risk to economic activity.
- The virus and the forceful measures taken to control its spread induced a sharp decline in economic activity and a surge in job losses.
- Our country continues to face a difficult and challenging time, as the COVID pandemic is causing hardship here in Jamaica and around the world.
- Overall fall-off of 9.9% in real GDP for 2020, with decline in the June 2020 quarter being the most severe .
- The ultimate impact of the crisis on the global economy, as well as the timing of a recovery, keeps uncertainty at a high.

### **Recovery Process**

- There has been improvement in key macro indicators – slowing in the rate of decline in quarterly GDP since June 2020.
- The roll-out of vaccinations supports the re-opening of key sectors and relaxation in restrictive measures .
- Government, along with the central bank, implemented precautionary measures and support initiatives to buffer the economy during unprecedented times.

# PERFORMANCE FACTORS

## 2. MARKET EXPECTATION

**JSE Combined Index - Rate of Return**



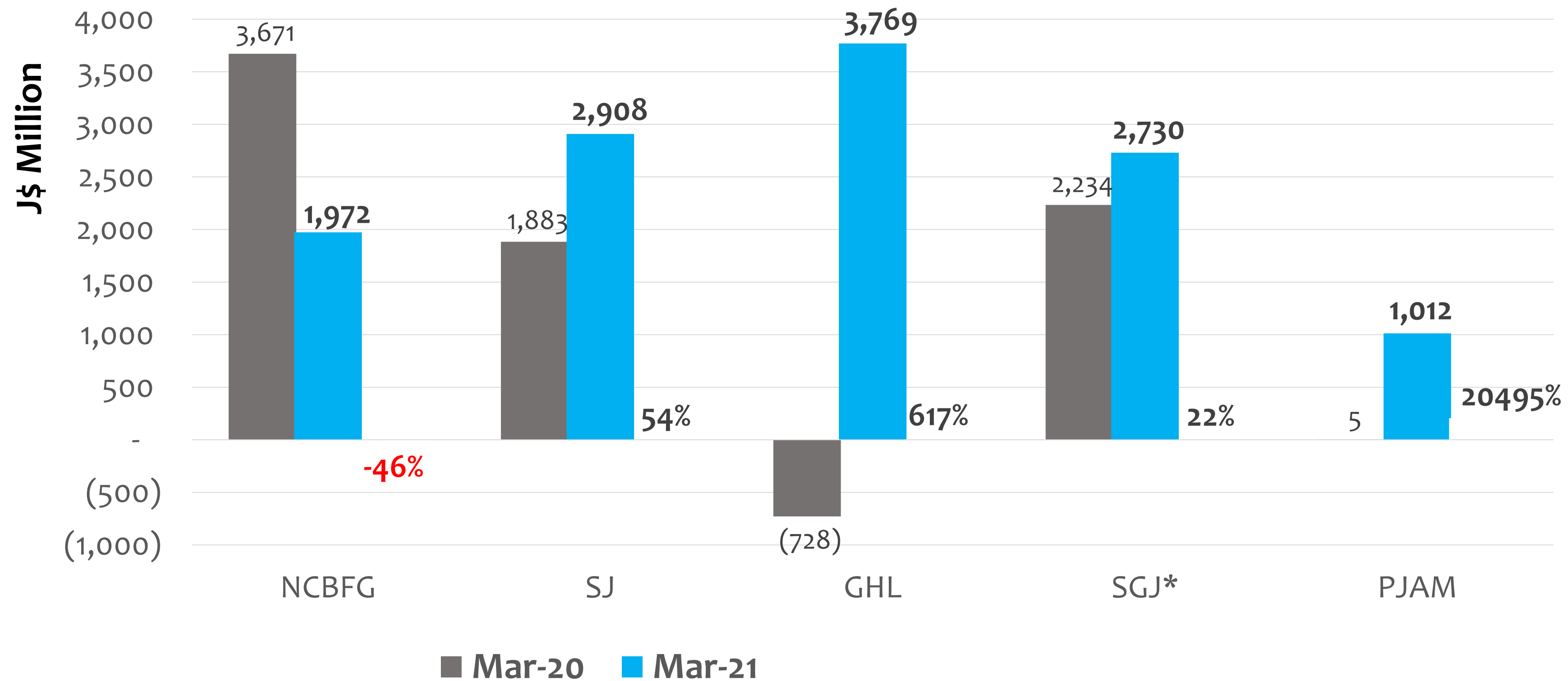
Index	YTD Performance
Combined	9.0%
Main	7.6%
Financial	2.9%
Manufacturing & Distribution	28.1%

# PERFORMANCE FACTORS

## 2. MARKET EXPECTATION

### PROFITS of Top 5 Financial Companies

Quarter ended - Mar 2020 & Mar 2021

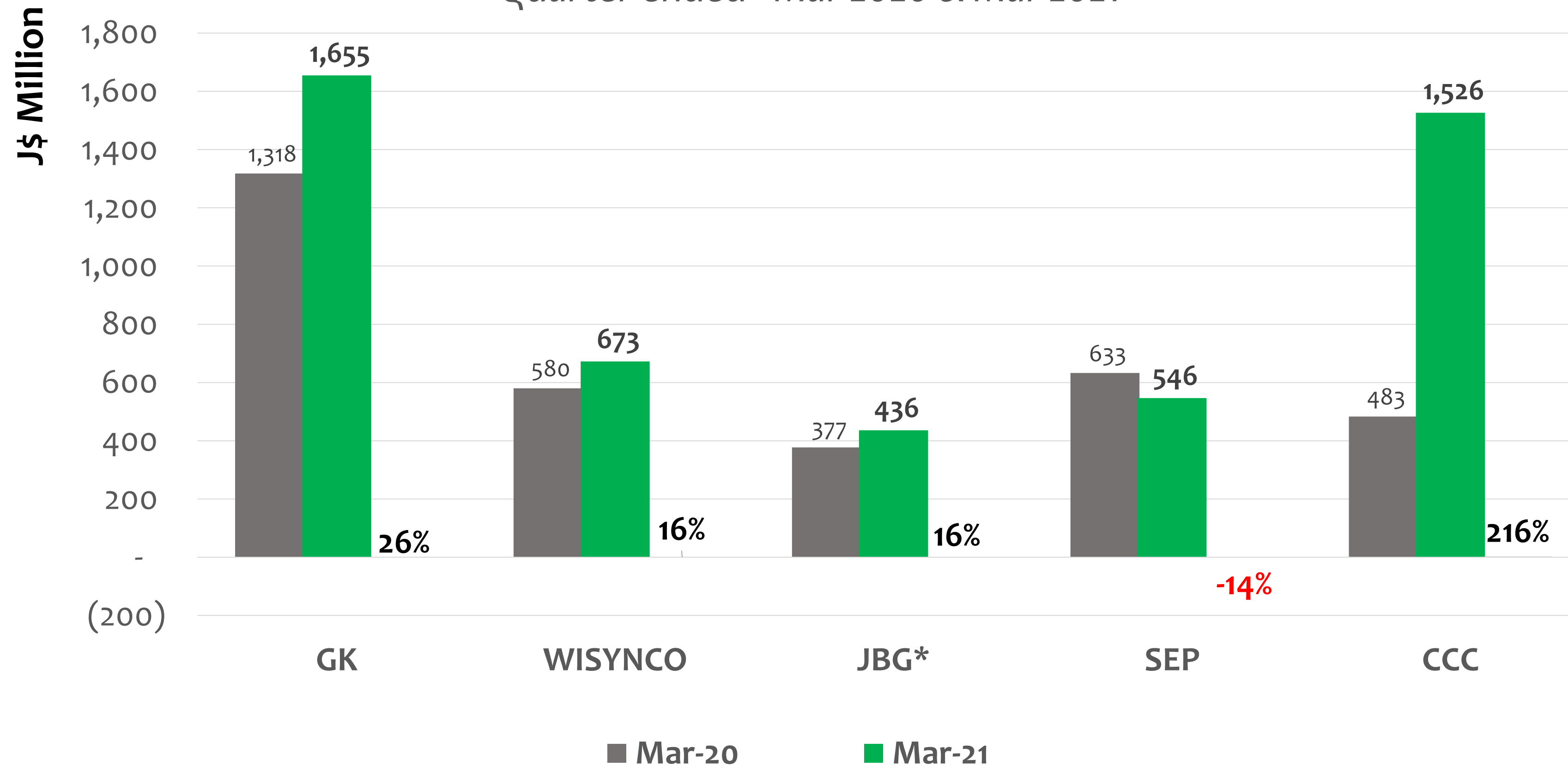


\*SGJ – Scotia Group results reflects the quarter ended April 2020 & 2021

# PERFORMANCE FACTORS

## 2. MARKET EXPECTATION

Profits of Top 5 M&D Companies  
Quarter ended - Mar 2020 & Mar 2021



\*JBG – Jamaica Broilers results reflects the quarter ended May 1, 2020 & 2021

# OUTLOOK

- Even with optimism associated with vaccination programmes, uncertainty will continue to influence investor decisions.
- The key risk facing all economies is the resurgence of infections and new variants of the COVID-19
- The return to normal times is largely predicated on roll-out of vaccinations to majority of the population.
- The outlook is characterized by severe human and economic cost relating to the COVID-19 pandemic.
- The local economy should be able to rebound at a faster pace given the relative strength gained from the economic reform over the past 5 years.
- The Bank of Jamaica in April 2021 revised its guidelines on dividend declaration and payments for financial companies; this should positively support the attraction to listed financial companies.
- The continued reopening of most sectors supports the likelihood of improved profits for firms.





# Thank You



Select Financial



Select Manufacturing & Distribution