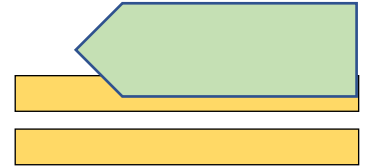




**REPORT FOR THE FIRST QUARTER
ENDING DECEMBER 2022**

Building Wealth for our Investors



Directors' Report

For the first quarter to December 2022, QWI operated in an investment environment that was not investor friendly. This resulted in a moderate loss of \$65 million.

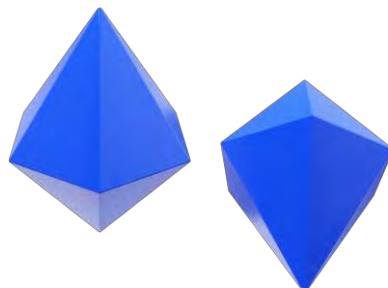
This loss arose in the Jamaican market and was partially offset by gains in the US market. One of the features in the local market was initial public issues of shares that resulted in investors selling off existing shares to participate in the IPOs.

The Junior Market, which fell 5.7 percent in the quarter, saw the brunt of the decline.

It is noted, however, that the Junior Market grew 16.3 percent during the calendar year and we still regard this as one of the strongest areas of growth going into 2023.

A differentiating feature of QWI's investment style is the Company's participation in the Main and Junior Markets of the Jamaica Stock Exchange, as well as the US and the Trinidad stock markets. This allows the Company to participate and benefit from the disparate performances of all the stocks held by QWI.

All stock markets do not move in the same direction or change at the same rate, thereby allowing QWI to benefit when one market may be rising and another is possibly in decline.



QWI's distinctive investment style allows the Company to benefit when one market may be rising and another is possibly in decline.

Market Backdrop

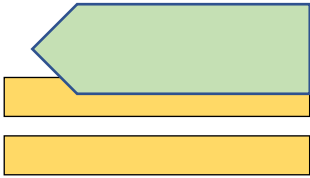
During the quarter, market conditions locally were generally unfavourable and this resulted in unrealised losses on the Jamaican portfolio. Higher interest rates have been the primary cause of falling share prices locally, while in the US, market driven interest rates actually declined in the quarter.

The movements in the market indices of the markets in which we are mostly invested were as follows:

Quarters Ending	JSE Index	Junior Market Index	JSE Combined Index	S&P 500	MSCI ACWI Index	QWI NAV
September 2021	414,890	3,296	417,203	4,303	714	1.34
December 2021	396,115	3,428	401,130	4,766	755	1.40
March 2022	391,232	4,223	403,781	4,530	712	1.39
June 2022	384,185	4,349	398,329	3,785	597	1.31
September 2022	361,692	4,229	376,222	3,586	559	1.27
December 2022	355,896	3,986	368,591	3,839	605	1.22
% Change 1st Quarter	(1.6)	(5.7)	(2.0)	7.0	8.2	(3.9)

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

First Quarter Results



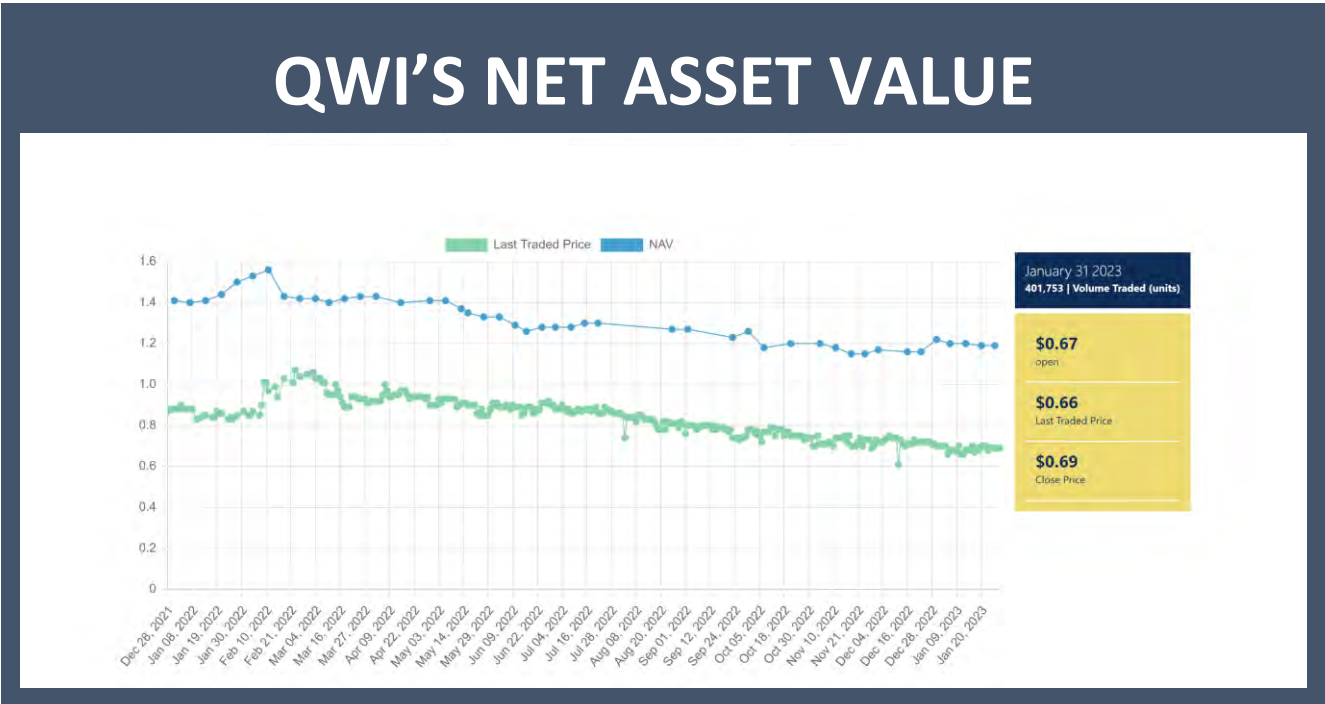
QWI’s investments produced \$76 million of realised and unrealised losses in the quarter. \$105 million of these losses occurred in the Jamaican portfolio and were offset by \$28 million of unrealised gains in the overseas portfolios.

The NAV of the Company’s shares declined 3.9 percent from \$1.27 in September 2022 to \$1.22 at the end of December 2022, which is greater than the 2 percent loss in the JSE Combined Index but somewhat below the 5.7 percent decline in the Junior Market index during the quarter.

Unrealised exchange losses totalled \$4 million versus \$17 million in gains a year ago.

Administration costs fell to \$13.7 million (2021-\$32.3 million), primarily due to a reduction in investment management costs compared with the year ago quarter.

This period, the Company recorded a deferred tax credit of \$26 million.



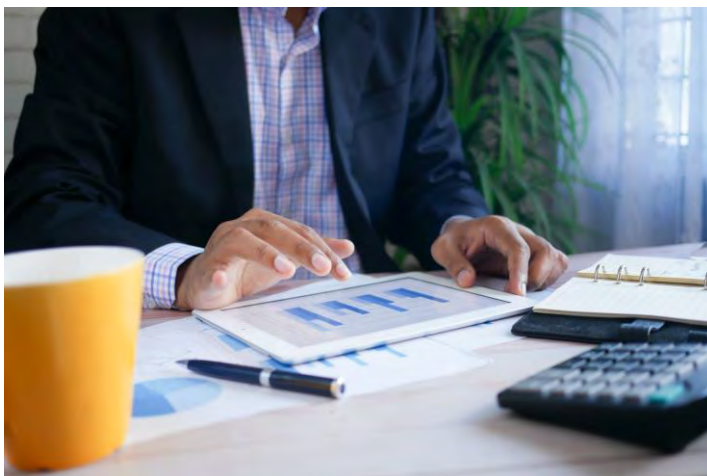
Statement of Financial Position

QWI ended the period with equity capital of \$1.66 billion, down from \$1.73 billion at the end of September 2022. This decline resulted from the unrealised portfolio losses already mentioned.

Investments in local and overseas stocks amounted to \$1.9 billion, with 80 percent represented by Jamaican listed stocks. The Company is holding approximately \$128 million in balances at its banks and brokers.

At the end of the quarter, the Company had reduced to US\$2.1 million its holdings in equities listed in the United States and Trinidad and Tobago. The current portfolio includes positions in several leading information technology companies, retailers, aerospace and services companies.

Borrowings used to finance a portion of the portfolio at the end of December 2022 amounted to \$346 million, all denominated in Jamaican dollars, and unchanged from September 2022.



TOP 10 HOLDINGS

Jamaican and US Markets

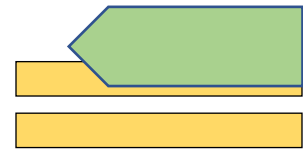
at 31 December 2022

Jamaican Holdings	Shares held	J\$ Value
Access Financial	8,500,000	224,782,500
Caribbean Producers	13,011,828	145,407,178
Stationery & Office	7,006,672	115,610,088
GraceKennedy	1,130,794	95,552,093
Caribbean Cement	1,400,000	86,793,000
JMMB Group	2,496,228	85,433,403
Dolphin Cove	5,800,000	80,127,000
Radio Jamaica Group	28,087,261	72,746,006
General Accident	15,032,119	70,275,156
Lumber Depot	20,083,269	51,312,752

US Holdings	Shares held	US\$ Value
Northrop Grumman	250	136,402
United Rentals	400	142,168
Boeing Co	650	123,818
Lockheed Martin	250	121,622
Meta	1,200	120,340
Alphabet	1,200	106,476
Home Depot	300	94,758
Apple	700	90,951
Nvidia	500	73,730
CVS	700	65,223

QWI's 10 largest JSE listed holdings represent 67 percent of our Jamaican quoted investments.

QWI's 10 largest US listed holdings represent 52 percent of our US quoted investments.



Outlook

There are different opinions as to the current and future state of the markets in which our portfolio is held.

A widely held view is that the last 4 monthly inflation rates have declined markedly, which supports the position that inflation rates have been moderating closer to desired levels. This could have implications for interest in the US and elsewhere.

US inflation rate, driven by higher commodity, ocean freight and goods prices during 2022 has already peaked, and the inflation rate for the housing and rental market, reflected in the US Consumer Price indices, will soon add to these changes, leading to much lower inflation rates.

Where opinions differ, relates to the extent to which interest rates will follow the US inflation rate downwards, and whether commodity prices will rise again in 2023, as China reopens from the COVID restrictions imposed up to December 2022, resulting in much higher Chinese commodity demand and prices later in 2023.

In the first quarter, QWI's US share portfolio certainly benefitted from the trend towards lower US inflation and interest rates, which culminated in higher share prices in the quarter.

Local interest rates also appear to have peaked as inflation declines towards the 6 percent rate at the top end of the Bank of Jamaica's target range. We are also encouraged by the continued rebound in visitor arrivals and the improved profit results being posted by several companies for the financial year 2022 compared to 2021. The price declines seen in the Junior Market in the December quarter seem likely to be temporary and as such, we are cautiously optimistic about the overall market prospects.

Against the above background, the Company's Investment Committee actively monitors the investment portfolio and the markets in which we operate and will make changes as we see fit.

We are even more optimistic about the prospects for many of our largest Jamaican holdings.

John Jackson

Chairman

John Mahfood

Director

27 January 2023

Unaudited Statement of Financial Position

	Quarter Ending December		Year Ending
	2022	2021	September 2022 (Audited)
Quoted Investments -local	1,522,024,647	1,724,407,323	1,637,917,353
Quoted Investments - overseas	382,228,325	585,451,358	342,719,946
Due from brokers and other receivables	103,770,667	106,202,904	107,542,622
Cash and bank	<u>23,819,979</u>	<u>2,676,257</u>	<u>43,537,845</u>
Total assets	<u>2,031,843,618</u>	<u>2,418,737,842</u>	<u>2,131,717,766</u>
Current liabilities and accruals	25,096,400	26,362,017	32,389,214
Bank Overdraft (Note 5)	<u>145,728</u>	<u>50,032,073</u>	-
Current Liabilities	25,242,128	76,394,090	32,389,214
Non-Current Liabilities:			
Deferred Tax Asset /(Liabilities)	(4,909,200)	71,492,190	22,909,582
Margin Loans (Note 5)	<u>346,459,021</u>	<u>360,694,565</u>	<u>346,443,380</u>
Total Non-Current Liabilities	<u>341,549,821</u>	<u>432,186,755</u>	<u>369,352,962</u>
Net assets	<u>\$1,665,051,669</u>	<u>1,910,192,997</u>	<u>1,729,975,590</u>
Share Capital /Capital Reserve	1,630,355,586	1,623,476,540	1,630,355,586
Retained earnings	<u>34,696,083</u>	<u>286,716,457</u>	<u>99,620,004</u>
Total equity	<u>\$1,665,051,669</u>	<u>1,910,192,997</u>	<u>1,729,975,590</u>
Net Assets per Share (Note 8)	<u>\$1.22</u>	<u>\$1.40</u>	<u>\$1.27</u>

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



John Jackson
Chairman



John Mahfood
Director

Unaudited Statement of Profit or Loss

	Quarter Ending		Year Ending
	December 2022	December 2021	September 2022
			(Audited)
(Losses)/gains from investments (Note 4)	(76,709,799)	113,401,006	5,623,973
Unrealised currency (loss)/gain	(4,492,896)	17,392,725	(984,435)
Dividend, interest and other income	<u>12,940,329</u>	<u>12,591,328</u>	<u>39,739,108</u>
	<u>(68,262,366)</u>	<u>143,385,059</u>	<u>44,378,646</u>
Administrative and other expenses	13,702,356	32,318,925	90,402,668
Interest expense	<u>8,942,240</u>	<u>7,758,258</u>	<u>28,453,695</u>
(Loss)/Profit before taxation	(90,906,962)	103,307,876	(74,477,717)
Taxation credit/ (charge) (Note 6)	<u>25,983,041</u>	<u>(20,271,126)</u>	<u>25,072,065</u>
(Loss)/Profit for the period			
being total comprehensive (loss)/income	<u><u>\$(64,923,921)</u></u>	<u><u>83,036,750</u></u>	<u><u>(49,405,652)</u></u>
Basic (Loss)/Earnings per share (Note 9)	<u><u>\$ (0.04)</u></u>	<u><u>\$ 0.06</u></u>	<u><u>\$ (0.036)</u></u>

Unaudited Statement of Cash Flows

	Quarter Ending		Year Ending
	December 2022	December 2021	September 2021 (Audited)
(Loss)/ Income after taxation	(64,923,921)	83,036,750	(49,405,652)
Taxation	(25,983,041)	20,271,126	(25,072,065)
Net unrealised investment Losses/(gains)	72,984,594	(85,580,780)	(12,928,980)
Accounts payable/Margin Loans/Other	<u>(7,277,173)</u>	<u>(45,992,056)</u>	<u>(48,948,510)</u>
	<u>(25,199,541)</u>	<u>(28,264,960)</u>	<u>(136,355,207)</u>
Net Sales /(Purchases) of Quoted Investments	3,399,733	54,382,937	303,647,512
Taxation paid	(1,835,741)	(1,663,059)	(4,902,476)
Dividends paid	-	-	(45,701,532)
Due from brokers and Accounts receivable	<u>3,771,955</u>	<u>(78,672,264)</u>	<u>(80,011,982)</u>
	<u>5,335,947</u>	<u>(25,952,386)</u>	<u>173,031,522</u>
Increase/(decrease) in cash and bank balances	(19,863,594)	(54,217,346)	36,676,315
Cash and bank balances - beginning of period	<u>43,537,845</u>	<u>6,861,530</u>	<u>6,861,530</u>
Cash and bank balances - ending of period- (net)	<u>\$23,674,251</u>	<u>(47,355,816)</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>
Total comprehensive income		83,036,750	83,036,750
Total equity at 31 December 2021	<u>\$1,623,476,540</u>	<u>286,716,457</u>	<u>1,910,192,997</u>
Total equity at 30 September 2022	<u>1,630,355,586</u>	<u>99,620,004</u>	<u>1,729,975,590</u>
Total comprehensive (loss)		<u>(64,923,921)</u>	<u>(64,923,921)</u>
Total equity at 31 December 2022	<u>\$1,630,355,586</u>	<u>34,696,083</u>	<u>1,665,051,669</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 31 December 2022, 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 2022.

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 31 December comprised:

	Quarter Ending		Year Ending
	December 2022	December 2021	September 2021 (Audited)
Realised (losses)/gains - Jamaica	(3,725,205)	22,470,236	(11,489,147)
Realised gains – Overseas	-	5,349,989	4,184,141
Unrealised (losses)/gains - Jamaica	(101,429,996)	43,112,084	109,396,574
Unrealised gains/(losses) - Overseas	<u>28,445,402</u>	<u>42,468,697</u>	<u>(96,467,594)</u>
Total	<u>(7,709,799)</u>	<u>113,401,006</u>	<u>5,623,883</u>

Notes to the Financial Statements

5. Overdraft and Margin Loans

a) At 31 December 2022, the Company's assets were charged in the sum of \$104,470,033 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. No amounts were outstanding under this overdraft facility as at 31 December 2022.

b) At 31 December 2022, the Company's assets were charged in the sum of \$200,000,000 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 \$100,000,000 at an interest rate of 8.5 percent per annum. \$145,728 was outstanding under this overdraft facility as at 31 December 2022.

c) At 31 December 2022, the Company's assets were charged in the sum of \$886,000,000 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 interest rates ranging from 9.5 percent to 10.5 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. \$346,459,021 was outstanding under these facilities at 31 December 2022.

6. Taxation

Taxation for the three months to 31 December comprises:	2022	2021
Income tax withheld at source on dividend income	1,835,741	1,663,060
Deferred taxation (credit)/charge	<u>(27,818,782)</u>	<u>18,608,066</u>
Total	<u>\$(25,983,041)</u>	<u>20,271,126</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>
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8. Net Asset Value (NAV) per share

The Net Asset Value per share as at 31 December 2022 was \$ 1.22 (31 December 2021 - \$1.40). This was derived by dividing the net assets of the Company of \$1,665,051,669 (2021 - \$1,910,192,997) by the 1,365,000,015 shares issued and outstanding as at 31 December 2022 (2020 - 1,365,000,015).

9. Earnings per share

The earnings per share for the reporting periods were computed using the weighted average number of issued shares of 1,365,000,015 shares.



Building Wealth for our Investors

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