Sagicor
MUTUAL FUNDS

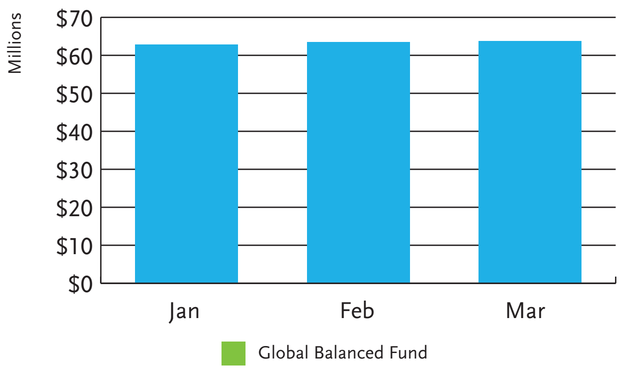
INVESTMENT COMMENTARY

Sagicor Funds Inc — March 2015

International developed equity markets recorded sound performances and led returns in global equities for the first quarter of 2015. Highly accommodative monetary policies across the Euro Area and Japan as well as increased competitiveness of exports due to weaker international currencies relative to the US dollar, supported the robust performance of developed equities. GDP growth in the US slowed to an estimated 0.2% for the quarter as economic data reported was weaker than expected. This outweighed the improvement in the unemployment rate of 5.5% in March and the positive sentiment by the Federal Reserve to delay monetary policy tightening for the foreseeable future. Emerging market equities lagged the performance of the international developed equities but outperformed their US counterparts and benefited from the moderate rebound and relative stability of global oil prices and other commodities inclusive of precious metals. Regionally, equity markets recorded gains for the first quarter of 2015.

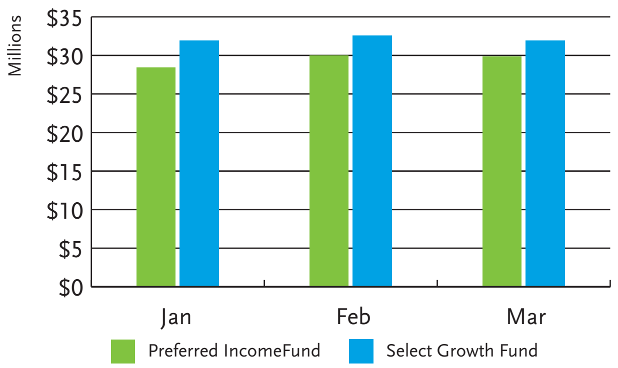
Generally, global fixed income markets registered mixed returns for the quarter. Fixed income markets in the US benefited from the relative strengthening of the US dollar as compared to other major currencies. During the quarter, yields on longer maturity Treasuries declined. The yield of the 10 year Treasury bond declined to 1.93% as at March 31 2015 from 2.17% as at December 31, 2014 and consequentially its corresponding value increased. The high yield bonds segment was the best performing for US bonds. Emerging market US denominated bonds performed well as a result of the stronger US dollar while domestic currency denominated emerging market debt experienced a relative underperformance.

NET ASSETS 2015



For the period ended March 31, 2015 the performances across the Sagicor suite of mutual funds trended positively. The Sagicor Preferred Income Fund returned 1.4% while the Sagicor Global Balanced Fund and Sagicor Select Growth Fund both increased by 1.1% and 1.3%, respectively. The funds benefited from the increase in the regional and international equity markets and the fixed income markets.

NET ASSETS 2015



The Federal Open Market Committee (FOMC) continued to pursue its mandate of maximizing employment and price stability. The labor market continues to trend towards the required mandate, however, concerns surrounding the low inflation rate prompted the FOMC to maintain the Fed Funds Rate at the range of 0.00% - 0.25% for the foreseeable future. The US experienced negative inflation of 0.1% as at March 31, 2015.

US equity markets ended the first quarter with moderate returns. The DJIA Index and the NASDAQ Composite gained 0.3% and 3.8%, respectively, while the S&P 500 Index increased 1.0% for the quarter. Both international developed equities and emerging markets outperformed the US equities for the quarter. The FTSE 100 Index increased 3.2% while the German DAX Index advanced 22.0%, its best performing quarter in over a decade for the first quarter of 2015. The MSCI EAFE Index increased 5.0% for the quarter, while the MSCI Emerging Market Index advanced 2.3%.

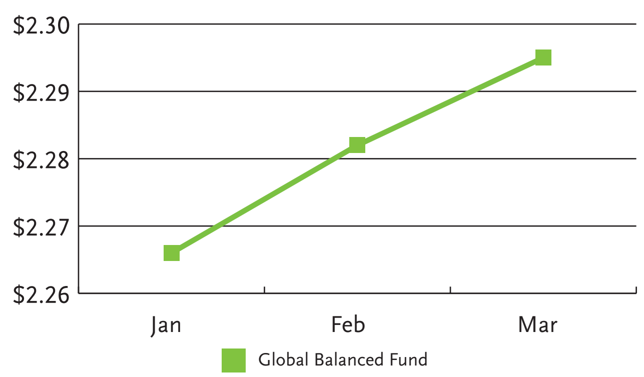
Barbados' economic recovery showed moderate improvement during the first quarter of 2015 with GDP growth of around 1.0% buoyed by an incipient rebound in tourism. International reserves increased to $1.1 billion and represented 16 weeks of import cover relative to 14 weeks of cover recorded at December 2014. The fiscal deficit for the fiscal year 2014/2015 was 7.2% of GDP while a primary surplus of $37.0 million was achieved. Inflation remained subdued and average below 2.0%. Locally the IMF projected Barbados' GDP growth for 2015 to 0.8% relative to the slight contraction of 0.3% recorded for 2014.

Regional indices recorded gains for the first quarter of 2015. The Trinidad and Tobago Stock Index and the Barbados Stock Exchange increased 0.3% and 2.6% respectively. The Jamaica Stock Index advanced by 9.8% for the quarter. These returns were an improvement from the 2014 performance as the regional markets declined. The Barbados three-month Treasury Bill rate was 3.34% and the six-month Treasury Bill rate remained at 3.52%.

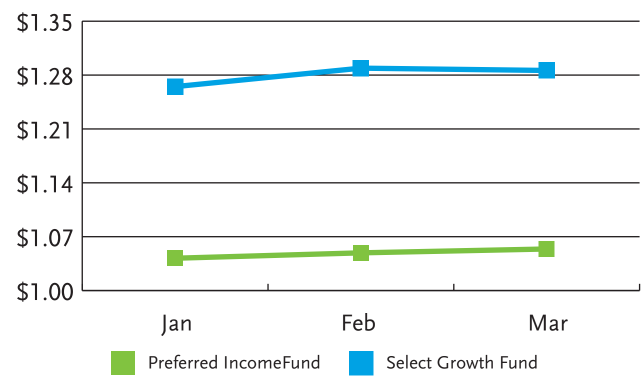
The Sagicor Global Balanced Fund net assets amounted to $63.8 million at the end of March 2015. The Sagicor Preferred Income Fund and the Sagicor Select Growth Fund net assets stood at $29.9 million and $31.9 million, respectively. For the first quarter the Sagicor Global Balanced Fund recorded net investment income of $0.3 million, while the Sagicor Select Growth Fund recorded a net investment loss of $0.1 million. During the quarter, the performance of the Select Growth Fund and Global Balanced Fund was impacted by the improved international equity markets and regional equity markets. The Preferred Income was positively impacted by the continued improvements in the fixed income markets and recorded interest income of $0.8 million.

The IMF projection for 2015 global growth remained at 3.5% which is principally attributable to anticipated moderate growth in the Euro Area and Japan coupled with modest growth in the US and emerging markets. The outlook for advanced countries is improving underpinned by the accommodative fiscal and monetary policy environment while growth in emerging and developing markets is expected to slow down with major emerging market economies such as Russia and Brazil are anticipated to contract for the year due largely to depressed oil prices. In the Caribbean, construction and tourism based economies are expected to spur the region's growth which was forecasted by the IMF at 1.7% for 2015. The regionally economies are expected to also benefit from lower oil prices coupled with an incipient recovery in developed economies during the year.

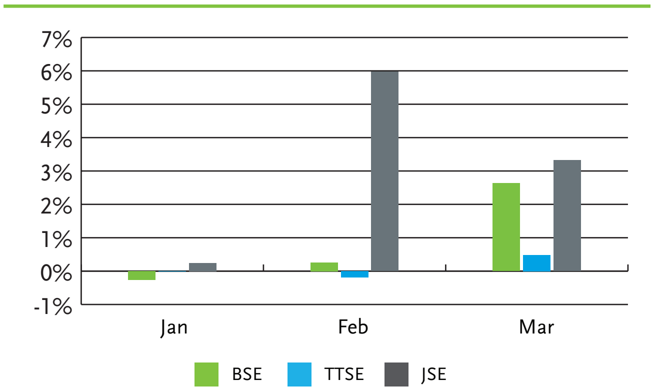
FUND PERFORMANCE 2015



FUND PERFORMANCE 2015



REGIONAL INDICIES 2015



FINANCIAL HIGHLIGHTS AS AT MARCH 31, 2015 (YTD)						
		SGBF		SSGF		SPIF
Investments at Cost	$	59,345,889.32	$	31,097,071.34	$	29,525,316.26
Net Assets	$	63,814,996.03	$	31,898,128.36	$	29,872,030.95
Net Asset Value	$	2.30	$	1.29	$	1.05
Number of Units		27,741,672.61		24,802,807.81		28,351,032.22
Net Investment Income	$	285,660.57	($	60,633.28)	$	723,793.94
Portfolio Appreciation	$	1,048,292.56	$	200,063.07	$	873,287.79
Interest Income	$	587,100.42	$	66,691.90	$	750,144.56