INVESTMENT COMMENTARY

Sagicor Funds Inc

September 2015

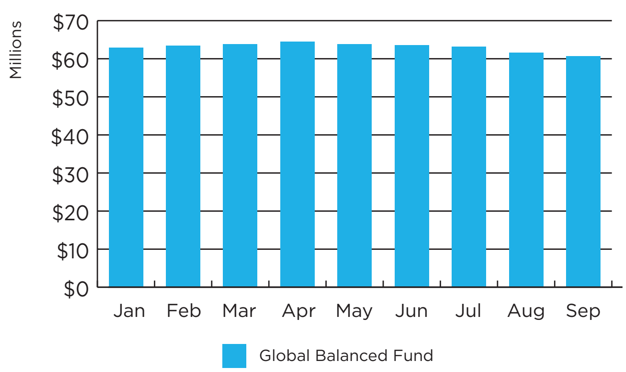
International developed equity markets recorded their worst quarterly performance since 2011. China's relative slowdown in growth and the Federal Reserve's decision to maintain interest rates at the current levels contributed to market volatility. GDP growth in the US was estimated at 3.9% for the second quarter as consumer spending and exports increased. There was also improvement in the unemployment rate which fell to 5.1% in September. Emerging market equities and international developed market equities lagged the performance of their US counterparts, and were adversely impacted by the deceleration in China's markets and the softening of commodity prices. Regionally, equity markets declined for the third quarter of 2015.

In the US, the DJIA Index and the S&P 500 Index declined by 7.6% and 6.9%, respectively, while the NASDAQ Composite decreased 7.4% for the quarter. For the year to date period the S&P 500 Index and the NASDAQ declined 6.7 % and 2.4%, respectively, while the DJIA declined by 8.6%. International developed market equities and emerging market equities experienced depressed performances and underperformed the US equities for the quarter. The MSCI EAFE Index and the MSCI Emerging Market Index decreased significantly by 10.5% and 18.7% respectively for the third quarter. For the year to date period, these indices declined 7.4% and 17.2% respectively. In the Euro Area, The FTSE 100 Index and the German DAX Index decreased 7.0% and 11.7% for the quarter respectively, and declined by 7.7% and 1.5%, respectively, for the year to date period.

Generally, global fixed income markets advanced for the quarter. US Treasuries were positively impacted by the flight to quality as yields on longer maturity Treasuries decreased. The yield of the 10 year Treasury bond declined to 2.06% as at September 30, 2015 from 2.35 % as at June 30, 2015 and consequentially its corresponding value increased. Long dated Treasuries were the best performing of the bonds market. Non US developed and emerging market dollar denominated bonds also had positive returns for the quarter while non dollar denominated bonds experienced negative returns due to the currency translation impact.

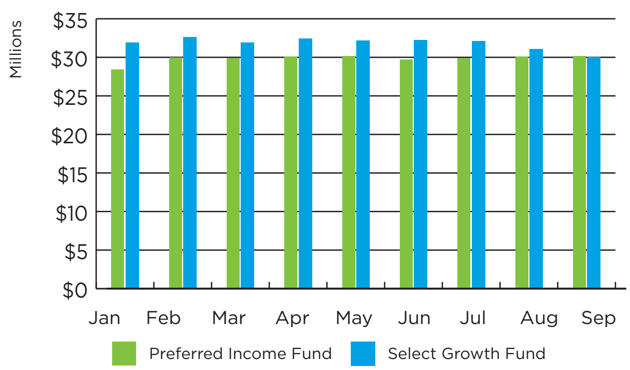
The protracted low interest rate environment continued to favour the valuation of fixed income securities. Furthermore, investors' aversion to risky asset classes also supported the general price appreciation across fixed income markets; most notably within US Treasuries driven by the flight to quality. Against this backdrop, the Preferred Income Fund returned 1.1% for the quarter and 3.9% for the year to date period ended September 30, 2015. The tumultuous performance of international equity markets, particularly during the third quarter, weighed on the performance of the Sagicor Global Balanced Fund and the Sagicor Select Growth Fund which declined by 4.1% and 7.1% for the quarter. For the year to date period ended September 30, 2015, the Sagicor Global Balanced Fund and the Sagicor Select Growth Fund declined by 3.0% and 6.1%, respectively.

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 and the unemployment rate declined to 5.1% as at September 2015, 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 inflation rate was of 0.2% as at September 30, 2015.

NET ASSETS 2015



Barbados' economic recovery remained relatively fragile and continued to be buoyed by the improvement within the Tourism sector which experienced a 14.5% increase in tourist arrivals for the year to date period ended September 30, 2015. Other key sectors such as construction and retail and domestic services contracted and weighed on economic expansion. Economic growth for the first nine months of 2015 declined to 0.3% down from 0.5% at June 30, 2015. International reserves remained at approximately $1.0 billion and represented 14 weeks of import cover a slight decrease from the 14.4 weeks of cover recorded at June 30, 2015. The fiscal deficit for first half of the fiscal year was estimated at $290 million down from $309 million as at September 30, 2014. Inflation remained subdued and was reported as 0.8% at the end of July 2015.

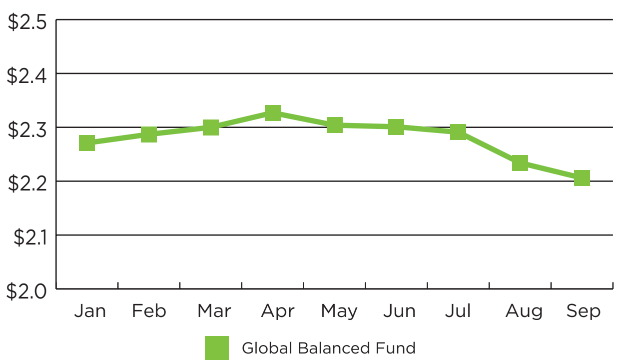
Regional indices declined for the third quarter. The Trinidad and Tobago Stock Index and the Jamaica Stock Index decreased 1.2% and 1.0% respectively while the Barbados Stock Exchange declined marginally by 0.3%. For the year to date period the indices had mixed returns with the Jamaica Stock Index and the Barbados Stock exchange advancing

26.2% and 2.2% respectively while the Trinidad and Tobago Stock Index decreased 0.3%. The Barbados three-month Treasury Bill rate was 2.03% and the six-month Treasury Bill rate remained at 3.51%.

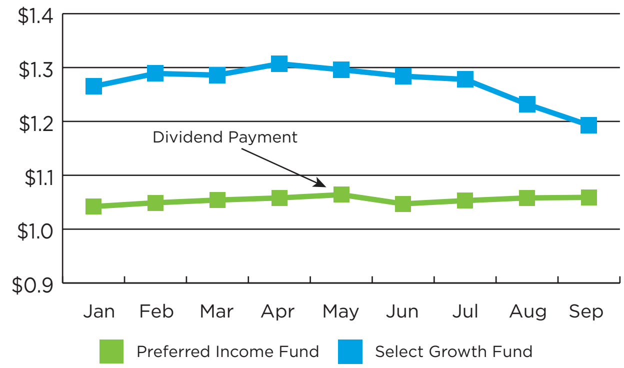
The Sagicor Global Balanced Fund net assets amounted to $60.7 million at the end of September 2015. The Sagicor Preferred Income Fund and the Sagicor Select Growth Fund net assets stood at $30.2 million and $30.0 million, respectively. For the third quarter the Sagicor Global Balanced Fund recorded net investment loss of $2.2 million while the Sagicor Select Growth Fund recorded a net investment loss of $2.4 million. During the quarter, the performance of the Select Growth Fund and Global Balanced Fund was impacted by the volatility of the international market. The Preferred Income was positively impacted by the improved fixed income markets and recorded interest income of $1.5 million.

The IMF projection for 2015 global growth remained at 3.3% due to expected acceleration in consumption and investments in the US up from the previous quarter figures. The outlook for advanced countries is anticipated to continue to improve with the drivers being continued accommodative monetary policy accross Europe and the US, lower fuel prices, and improving confidence and labor market conditions. There is anticipated continued growth slowdown in the emerging markets particularly in Latin America and China. In the Caribbean, construction and tourism based economies are expected to spur the region's growth which IMF forecast remained at 0.9% for 2015.

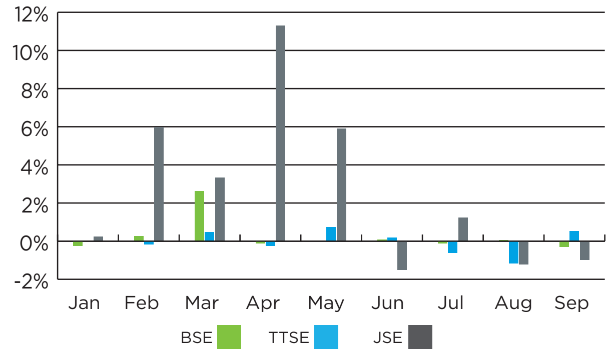
FUND PERFORMANCE 2015



FUND PERFORMANCE 2015



REGIONAL INDICIES 2015



FINANCIAL HIGHLIGHTS AS AT SEPTEMBER 30, 2015 (YTD)						
	SGBF		SSGF		SPIF	
Investments at Cost	$	59,281,843.26	$	31,816,503.49	$	29,675,602.20
Net Assets	$	60,723,542.05	$	29,999,609.49	$	30,156,346.39
Net Asset Value	$	2.21	$	1.19	$	1.06
Number of Units		27,522,108.22		25,155,133.57		28,463,496.85
Net Investment Income	($	2,242,217.23)	($	2,392,126.52)	$	1,503,915.44
Portfolio Appreciation	($	688,606.58)	($	1,585,691.64)	$	1,847,846.00
Interest Income	$	1,204,350.70	$	146,077.12	$	1,531,079.98