INVESTMENT COMMENTARY

Sagicor Funds Inc

March 2016

International equities experienced significant volatility and commenced the year with a sharp decline through mid-February. This was followed by recovery in value, largely buoyed by the continued accommodative policy stance by central banks globally, coupled with moderate improvement in oil prices. Emerging market equities led returns in global equities underpinned by the abating of monetary policy action in the US, as well as the relative weakening of the US dollar against major international currencies. There was divergence in the performance of developed market equities as US equity markets trended positively, albeit with low returns; while equities across Europe and Japan ended the quarter in negative territory. Fixed income securities benefited from the flight to quality which compressed credit spreads and favoured bond valuations.

In the US, the S&P 500 Index and the Dow Jones Industrial Average Index returned 1.3% and 2.2%, respectively for the quarter, while the MSCI World Index declined 0.2%. Emerging markets which included China, Russia and Brazil rebounded significantly. The weakening of the US dollar and the stabilization of commodity prices impacted these markets. The price of oil rallied from its lowest level of $27 per barrel in January 2016 and ended the quarter at approximately $38 per barrel. The MSCI Emerging Markets Index returned 5.7% for the quarter and experienced double digit gains in March after starting the quarter with significant declines.

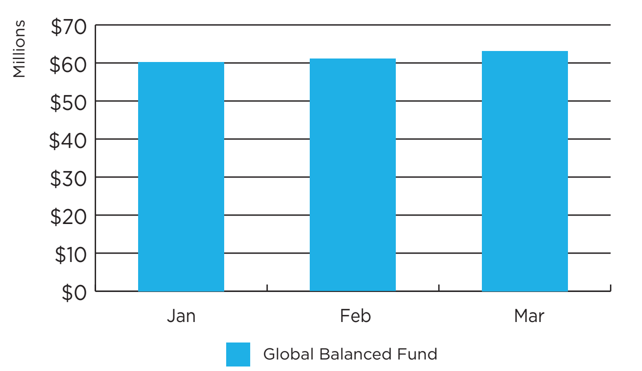
Regional markets experienced mixed returns for the first quarter of 2016. The Jamaica Stock Exchange and the Barbados Stock Exchange registered gains during the quarter and increased by 2.1% and 5.0%, respectively. The Trinidad and Tobago Stock Exchange countered the trend and declined by 2.5% for the quarter. The appreciation for the BSE was due to the increase in the prices of First Caribbean International Bank and Sagicor Financial Corporation, while for the JSE it was due to the broad market sentiment as the majority of the stocks on the exchange advanced. The TTSE was adversely impacted by the decline in the share prices of companies such as NGL and National Enterprises Limited.

The Sagicor suite of Funds recorded creditable quarterly gains and benefitted from the positive performance across the equity and fixed income asset classes. The Sagicor Global Balanced Fund increased 1.4% for the quarter. The Fund's net asset value increased to $2.26 from $2.22 as at December, while the net assets were $63.1 million as at March 31, 2015. The Fund remained largely invested in equities. The Fund maintained a significant exposure in fixed income securities, in line with its balanced mandate, which benefited from the favourable fixed income environment as credit spreads contracted and corresponding valuations increased.

The Sagicor Select Growth Fund advanced 1.0% for the quarter. The Fund's net asset value increased to $1.23 from $1.21 and net assets were $32.2 million. During the quarter the Fund benefitted from increase of the share price of key regional holdings including Sagicor Financial Corporation, Goddard Enterprises Limited and First Caribbean International Bank shares. The Fund also benefited from the moderate improvement in the international equity markets.

The Sagicor Preferred Income Fund increased 1.0% for the quarter. The net asset value as at March was $1.06 while net assets totalled $34.4 million. The Fund's continued concentrated in regional sovereign debt contributed to its performance as bond markets performed well during the quarter due to credit spreads tightening.

NET ASSETS 2016



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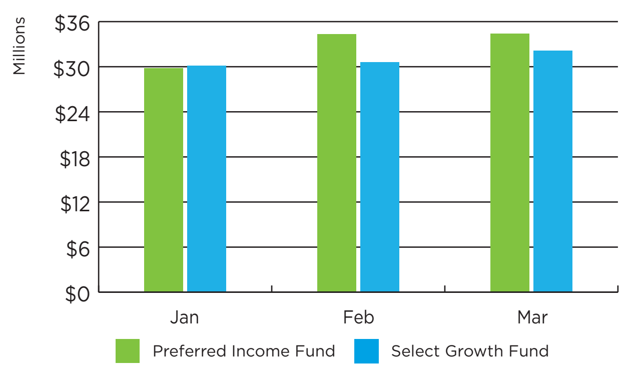
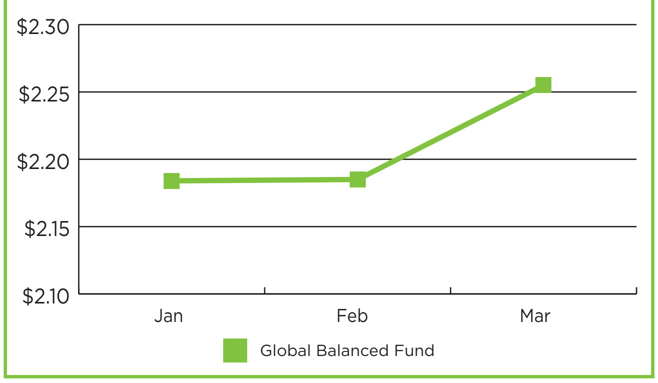


The IMF revised its 2016 projected global growth downward to 3.2% from 3.4% this was due to low growth in advanced economies, weaker growth than previously estimated in emerging markets and continued depressed oil prices. In Barbados, despite positive news on the economy for 2015 from the Central Bank, Government of Barbados debt was downgraded by Moody's from B3 to Caa1. Moody's listed slow reduction of the deficit, low foreign reserves and increased short term borrowing as the drivers for the downgrade.

FUND PERFORMANCE 2016



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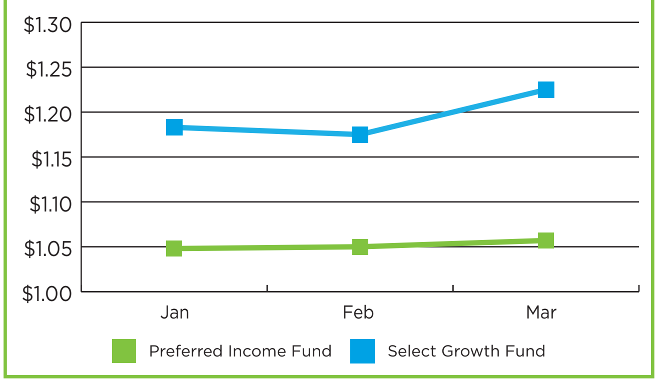
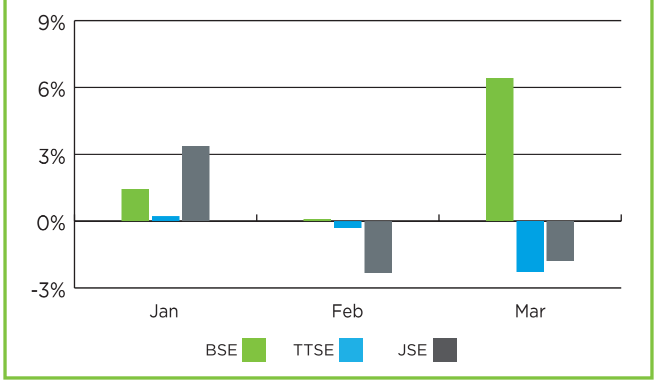


REGIONAL INDICIES 2016



TOP 5 HOLDINGS		
SGBF	**SPIF**	**SSGF**
Goddards Enterprises Limited	Government of Barbados 2016 Bond	Goddards Enterprises Limited
Massy Holdings Limited	Government of Barbados 2019 Bond	Massy Holdings Limited
MS Global Infrastructure Fund	Government of Aruba 2023 Bond	MS Global Infrastructure Fund
Cable & Wireless (Barbados) Limited	Government of Barbados 2022 Bond	Simpson Finance Limited 2021 Bond
Government of Barbados 2020 Bond	Government of Bermuda 2024 Bond	Unit Trust Corporation

FINANCIAL HIGHLIGHTS AS AT MARCH 31, 2016 (YTD)						
		SGBF		SPIF		SSGF
Investments at Cost	$	60,794,922.90	$	33,455,747.43	$	31,891,530.31
Net Assets	$	63,122,311.30	$	34,389,408.18	$	32,160,360.78
Net Asset Value	$	2.26	$	1.06	$	1.23
Number of Units		27,991,122.47		32,521,635.42		26,250,277.06
Net Investment Income	$	1,440,522.26	$	685,839.05	$	887,977.43
Portfolio Appreciation	$	2,182,178.44	$	846,460.51	$	1,142,289.85
Interest Income	$	626,155.60	$	858,469.73	$	89,292.30

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