SAGICOR
FUNDS
INCORPORATED

ANNUAL REPORT 2015

175 YEARS
OUR JOURNEY • OUR SUCCESS • OUR FUTURE

Sagicor
Since 1840

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a great company committed to improving the lives of people in the communities in which we operate.

Sagicor
Since 1840

With 175 years of investment experience, Sagicor offers an expertise in wealth and risk management that few fund companies can match. Our Stakeholders benefit from knowledgeable Investment Managers providing wise financial advice through the provision of affordable, diversified investment products.

We are proud of our longevity, knowing that the same vision which crafted our creation so long ago, is still very much at the core of our being today. At many milestones in its history, Sagicor has played a significant role in the economic development of the Caribbean region through its contribution to capital formation and investment. Sagicor continues to deliver world-class financial products and services, improving the lives of the people of the communities in which it operates.

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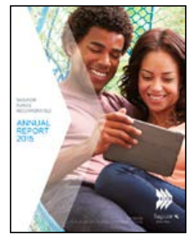

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The Sagicor Global Balanced Fund, formerly the Mutual Global Balanced Fund, was launched on June 2, 1997, following an initial offering of 19,766,786.01 Fund Shares, which at that time, was oversubscribed. Since then, Sagicor has prudently managed one of the oldest funds in Barbados, providing Shareholders with fund income and long-term capital appreciation through wise investment planning.

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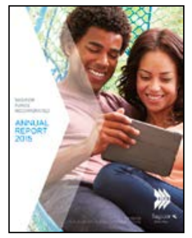

175 years of trust

We have 175 years of trust placed in us. Those who look to Sagicor for service, advice and help need to know that we will always honour that trust, and we will never let them down.

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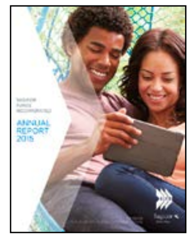

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INVESTMENT OBJECTIVES

The objective of the Sagicor Global Balanced Fund is to achieve income and long-term capital appreciation through investment in a diversified portfolio of shares, stocks and bonds listed on the main Caribbean and international Stock Exchanges.

All income earned by the Fund, including interest, dividends and capital gains, is automatically reinvested and the income value is reflected in the price of the Mutual Fund shares. The Fund does not pay cash dividends.

FUND NAME:	The Sagicor Funds Incorporated (Sagicor Global Balanced Fund)
LAUNCH DATE:	June 2, 1997
LAUNCH PRICE:	$1.00 per share
MINIMUM INVESTMENT:	$500.00 $100.00 for subsequent investments
NET ASSET VALUE PER SHARE:	$2.21
NET ASSETS:	$60,723,542
MANAGEMENT FEE:	1.75% per annum of the net assets of the Fund
CUSTODIAN FEE:	0.25% per annum of the net assets of the Fund
INITIAL CHARGES:	2.00%
INVESTMENT ADVISERS:	Sagicor Asset Management Inc (SAMI)
INVESTMENT MANAGER:	Sagicor Asset Management Inc (SAMI)
CUSTODIAN:	Sagicor Life Inc Maduro & Curiel's Bank NV
FUND VALUATIONS:	Weekly on Fridays
NAV QUOTATIONS:	Local Newspapers

INVESTMENT OBJECTIVES

The objective of the Sagicor Preferred Income Fund is to achieve a high level of current income and preservation of capital through investments in a diversified portfolio of bonds, debt securities, asset backed securities, high income funds and selected equities.

The Fund pays cash dividends twice annually. It is expected that such dividends will be paid on May 31st, and November 30th of each year. Fund shares will go ex-div on June 1st and December 1st with the first ex-div date being December 1, 2005.

FUND NAME:	The Sagicor Funds Incorporated (Sagicor Preferred Income Fund)
LAUNCH DATE:	December 2, 2004
LAUNCH PRICE:	$1.00 per share
MINIMUM INVESTMENT:	$500.00 $200.00 for subsequent investments
NET ASSET VALUE PER SHARE:	$1.06
NET ASSETS:	$30,156,346
MANAGEMENT FEE:	0.75% per annum of the net assets of the Fund
CUSTODIAN FEE:	0.25% per annum of the net assets of the Fund
INITIAL CHARGES:	2.00%
INVESTMENT ADVISERS:	Sagicor Asset Management Inc (SAMI)
INVESTMENT MANAGER:	Sagicor Asset Management Inc (SAMI)
CUSTODIAN:	Sagicor Life Inc. Maduro & Curiel's Bank NV
FUND VALUATIONS:	Weekly on Fridays
NAV QUOTATIONS:	Local Newspapers

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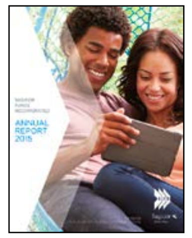

The objective of the Sagicor Select Growth Fund is to achieve an above average total return over the long term consistent with the preservation of capital through investments primarily in a diversified portfolio of securities and other mutual funds with growth strategies.

All income earned by the Fund, including interest, dividends and capital gains, is automatically reinvested and the income value is reflected in the price of the Mutual Fund shares. The Fund does not pay cash dividends.

FUND NAME:	The Sagicor Funds Incorporated (Sagicor Select Growth Fund)
LAUNCH DATE:	December 2, 2004
LAUNCH PRICE:	$1.00 per share
MINIMUM INVESTMENT:	$500.00 $200.00 for subsequent investments
NET ASSET VALUE PER SHARE:	$1.19
NET ASSETS:	$29,999,610
MANAGEMENT FEE:	0.75% per annum of the net assets of the Fund
CUSTODIAN FEE:	0.25% per annum of the net assets of the Fund
INITIAL CHARGES:	2.00%
INVESTMENT ADVISERS:	Sagicor Asset Management Inc (SAMI)
INVESTMENT MANAGER:	Sagicor Asset Management Inc (SAMI)
CUSTODIAN:	Sagicor Life Inc Maduro & Curiel's Bank NV
FUND VALUATIONS:	Weekly on Fridays
NAV QUOTATIONS:	Local Newspapers

The Sagicor Select Growth Fund and Sagicor Preferred Income Fund were launched in December 2004, bringing two new exciting products to Shareholders. The Select Growth Fund, or "Fund of Funds mutual fund", provides long-term growth for investors concerned about moderating the associated risks, whilst the Preferred Income Fund is tailored to investors seeking a total return within a conservative level of risk.

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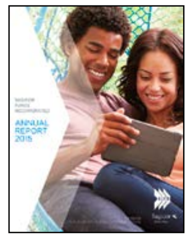

175 years of vision

Our loyal and experienced team makes us the trusted financial institution we are today. We have been there for you for 175 years, and we will continue to be there for the next 175.

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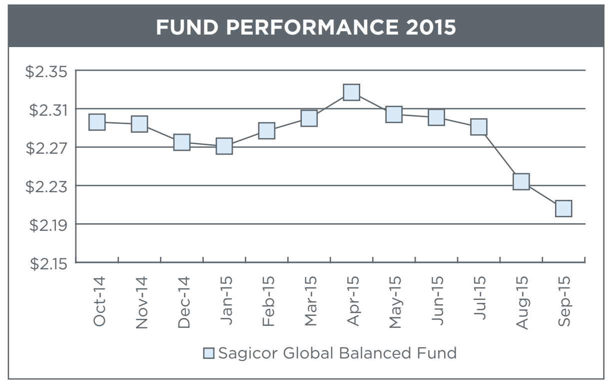
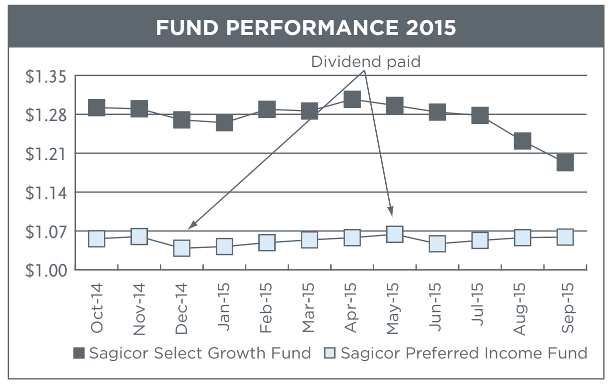
CHAIRMAN'S STATEMENT

Dr M. PATRICIA DOWNES-GRANT
Chairman

Global equity markets experienced intense volatility and recorded lackluster performances for 2015. Global growth concerns fueled by the economic slowdown in China, the US Federal Reserve's decision to delay the well anticipated increase of interest rates and the softening of commodity prices weighed on market sentiment and increased volatility which contributed to the pervasive decline across global stock markets during the year. US equities declined moderately, while equities across developed markets outside of the US as well as emerging markets, experienced significant double digit declines for the year ended September 30, 2015. The performance of regional equity exchanges trended positively for the year as the Barbados Stock Exchange benefited from the bidding war regarding the takeover of Banks Holding Limited while the Jamaica Stock Exchange rallied significantly and the Trinidad and Tobago Stock Exchange ended the year flat. Global growth was dampened by the aforementioned economic headwinds and was revised downward by the International Monetary Fund (IMF) from 3.3% to 3.1% for 2015.

Against this backdrop the performance of the Sagicor Select Growth Fund declined due to the volatility in the equity markets as the downturn in international markets outpaced the moderate advancement of regional equities. The Sagicor Select Growth Fund equity allocation remained biased towards the international segment and experienced a decrease of 7.8% for the year following a return of 7.5% for 2014. The Sagicor Global Balanced Fund declined 3.5% for the 2015 as compared to a return of 5.0% recorded for 2014. In concert with its balanced mandate, the Sagicor Global Balanced Fund benefited from the positive performance of its fixed income segment which tempered the adverse impact of the volatility in the equity markets. The Sagicor Preferred Income Fund registered a creditable yield of 4.8% up from 3.6% recorded for 2014, amid a protractedly low interest rate environment.





Regional economies experienced moderate expansion led by improvement in the tourism sector with those economies which remained net importers of oil, further benefiting from the depressed global oil prices. Developed economies such as the US and UK, remained the key source markets for the region and showed moderate levels of economic improvement, which contributed to the increased numbers in tourist arrivals. Against this backdrop, the IMF increased the projected growth rate for the Caribbean to 3.8% for 2015.

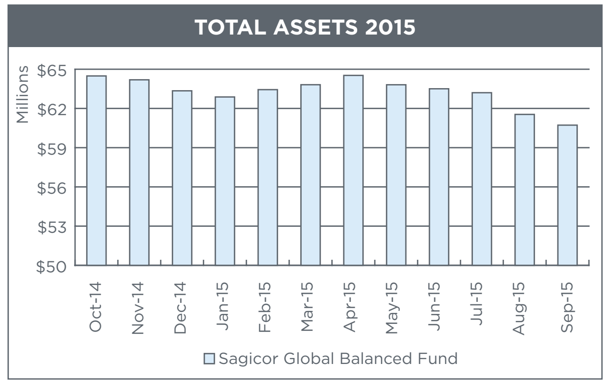
In the US, economic recovery continued albeit at a modest pace. The Gross Domestic Product (GDP) within the US grew by 2.1% for the third quarter of 2015 following growth of 3.9% for the second quarter of 2015; the relative slowdown for the third quarter was due to a downturn in private inventory investment, deceleration in exports and in state and local spending. Economic data released within the US supported the recovery as evidenced through improved indicators including consumer spending and personal income which was the result of an increase in wages and salaries. The unemployment rate fell to 5.1% from 5.9% the previous year. US equities experienced increased volatility as investors were concerned about the economic downturn in China, the Greek debt crisis and the uncertainty of the Federal Reserve's decision on interest rates. The Standards and Poors 500 Index and the Dow Jones Industrial Average Index declined by 2.6% and 4.4%, respectively, for the year ended September 30, 2015.

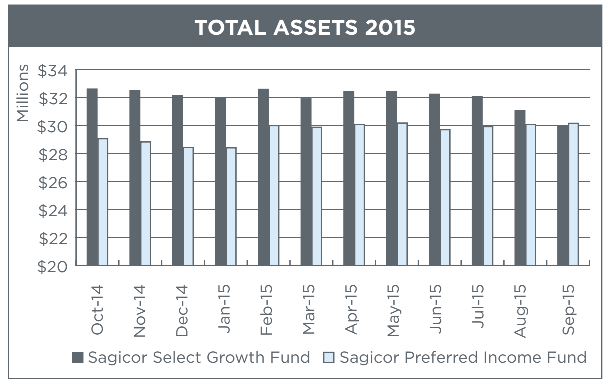
The Euro Area and Japan declined during 2015 as these economies were impacted by the slowdown in China and the significant decrease of commodity prices. The European Union experienced anaemic economic conditions as deflationary pressures persisted with inflation reported at an exceptionally low rate of negative 0.1% in September, and spurred market speculation that the European Central Bank would increase its monetary stimulus program. Economic activity in the Euro zone remained sluggish and moderately increased by 1.6% as at September 30, 2015. Early concerns about the Greek debt crisis were abated as a bailout deal was passed by government. The level of unemployment slightly decreased and was recorded at 10.8%, the lowest level since January 2012. Japan's economy contracted by 1.2% for the second quarter of 2015 and was adversely impacted by weak business investment and private consumption.

The Federal Reserve maintained the near zero Fed Funds Rate as inflation trended below the targeted level consistent with the achievement of the Federal Reserve's dual mandate of price stability and full employment. However, volatility persisted due to the uncertainty surrounding the Federal Open Market Committee's (FOMC) interest rates policy outlook. Even though US economic data remained encouraging as unemployment figures trended lower and household spending increased, concerns with global markets remained prominent as China's economic growth declined.

Economic growth within Barbados slightly improved to 0.3% through the third quarter of 2015. In the tourism sector, the numbers were encouraging with arrivals increasing by approximately 14.5% as at September 30, 2015. The construction industry activity was less than expected while retail and domestic services were subdued and impinged on the overall economic growth. Foreign exchange reserves reverted to approximately $1.0 billion at the end of September 2015 which represented 14 weeks of import cover. Continued fiscal adjustment measures led to the decrease of the deficit by approximately $19 million in comparison to the same time last year. The unemployment rate decreased to 12% as at the end of June, from 13.2 % reported for the previous year while inflation was recorded at 0.8% at the end of July 2015.

Regional equity exchanges ended the year in positive territory following relatively dismal performances during the third quarter of 2015.





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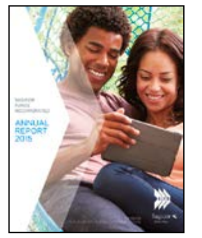

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The Jamaica Stock Exchange and Barbados Stock Exchange increased 33.3% and 2.3% respectively, for the year. Both of these indices declined for the third quarter as the Jamaica Stock Exchange declined by 1.0% while the Barbados Stock Exchange decline by 0.3%. The Trinidad and Tobago Stock Exchange advanced by 0.3% for the year and declined by 1.2% for the quarter. The Barbados three-month Treasury Bill rate was 2.03% and the six-month Treasury Bill rate was 3.51%, down from the previous quarter. The Barbados savings rate was deregulated by the Central Bank in April 2015 which led to rates moving as low as 0.5% from the previously set rate of 2.5%.

The global economic growth outlook remains tepid due to lower commodity prices and the economic slowdown in emerging market economies. However, we remain optimistic with respect to the future performance and growth of our mutual funds. The portfolios have been affected by depressed global equity markets as the allocation towards international equities has suppressed the performance of the Sagicor Select Growth Fund and the Sagicor Global Balanced Fund in particular. We will seek to capitalize on selected opportunities, and continue to prudently navigate these markets.

We thank you for your continued confidence and support throughout the year as we focus on effectively managing shareholders' wealth and maintaining our commitment to delivering shareholder value.

Dr M Patricia Downes-Grant
Chairman

INVESTMENT REPORT

Sagicor
Funds
Incorporated

The financial year ended September 30, 2015 was characterized by the meltdown of global equity markets. The protracted softening of commodity prices and anaemic global growth outweighed the positive impact of the persistently accommodative monetary and fiscal policy environment and improvement in employment conditions across developed economies. The slowdown in growth within emerging market economies further constrained the global economic recovery and led to the downward revision of projected global growth by the IMF from 3.3% to 3.1% for 2015; 0.2% lower than the growth achieved for the prior year.

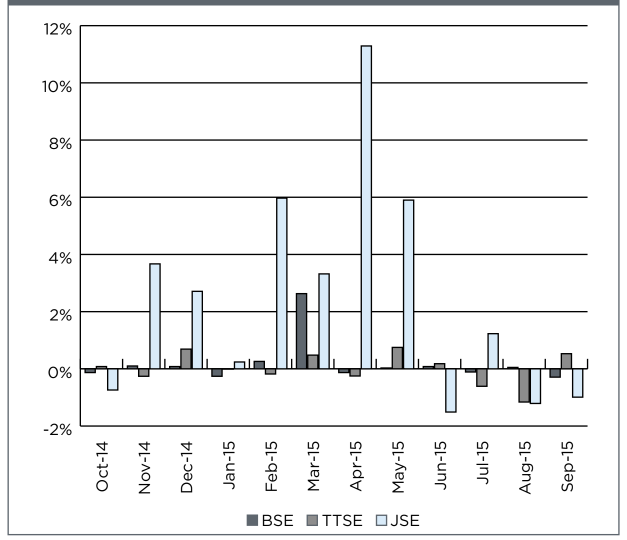
The United States (US) experienced moderate expansion as economic growth slowed to a modest pace of 2.0% in the third quarter of 2015, following growth of 3.9% in the second quarter. The general decline of inventory investment and corporate profits contributed to the relative economic slowdown during the third quarter. Further improvement in economic data was evidenced through the decline in the unemployment rate to 5.1% trending down from 5.9% the previous year, while consumer spending increased. However, inflation remained well below the U.S Federal Reserve Bank's target of 2.0% and was recorded as 0.0% as at September 30, 2015, which prompted the Federal Reserve's decision to delay interest rate increases beyond September 2015.

International markets experienced significant volatility during the first three quarters of 2015 with key benchmark indices recording moderate to double digit declines. The MSCI World Index decreased 5.6% as at September 30, 2015. US equity markets were not insulated from the global economic turmoil as the S&P 500 Index and the Dow Jones Industrial Average declined by 5.3% and 7.0%, respectively. The NASDAQ Composite declined by 1.6% for the year to date period. The performance of developed market equities outside of the US were adversely impacted by the slowdown in China as well as depressed commodity prices. The Euro zone area reported modest economic growth for the third quarter of 2015 of 1.6%. The European Central Bank commenced its Quantitative Easing in March and implemented a bond repurchase program coupled with maintaining low interest rates for the foreseeable future. Japan's economy contracted by 0.8% in the third quarter for the second consecutive quarter; thus entered into a recession.

Emerging market economies experienced a slowdown in growth, primarily as a result of the meltdown in commodity prices. Russia's economy continued to be constrained by the protracted low oil prices while Brazil was stripped of its investment grade credit rating and was downgraded by one notch by Standard and Poors in September 2015 to BB+. Furthermore, recessionary conditions continue to constrain economic growth within Russia and Brazil. In China, growth slowed to 6.9% the lowest level in 6 years as production for export and government investment in infrastructure declined. The MSCI Emerging Markets Index, a barometer for emerging markets, declined 15.2% as at September 30, 2015.

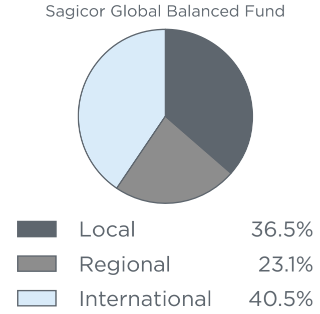
In the Caribbean, tourism dependent economies were projected to experience improved growth of 2.0% as forecasted by the IMF, buoyed by an increase in tourist arrivals from the United States. Furthermore, most Caribbean economies remained net importers of oil and were positively impacted by the globally depressed oil prices.

REGIONAL STOCK INDICIES 2015



GEOGRAPHICAL ALLOCATION 2015

Sagicor Global Balanced Fund



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Regional equity markets registered an increased level of trading activity in 2015. The Jamaica Stock Exchange rallied by 33.3% for the year ended September 30, 2015 while the Barbados Stock Exchange experienced five months with over one million shares traded. This marked a noteworthy increase relative to the previous year with significant contribution from trading activity surrounding the competitive bidding environment regarding the take-over of Banks Holdings Limited. The Trinidad and Tobago Stock exchange was relatively flat for the year ended September 30, 2015.

Regional fixed income markets continued to stabilise as evidenced by a lower number of credit events inclusive of rating downgrades and bond defaults during 2015. The Sagicor Preferred Income Fund gained 4.8% for the financial year. The Net Asset Value stood at $1.06 as at September 30, 2015 up from $1.05 at the start of the year. The Fund remained principally allocated to the fixed income asset class which represented 77.8% of net assets while equities accounted for 1.6%. The fixed income portfolio was concentrated in sovereign bonds which represented 86.7% while the corporate issues accounted for 13.3%.

Throughout the year, the Fund's allocation to the Government of Barbados debt was reduced to $14.8 million relative to $15.9 million at the end of 2014. Other major holdings included Government of Bermuda and Government of Aruba which accounted for 9.5% and 7.1% of the bond portfolio. The Fund continued to diversify its fixed income holdings with the purchase of the Government of Bermuda US denominated debt. There was a sustained effort to improve the investment profile to include more investment grade sovereign bonds. During the period, the Fund also increased its holdings in corporate bonds and maintained a short duration strategy through investment in short to medium term bonds. The average yield of the Fund's bond portfolio was 6.2% for 2015.

Net Income for the fund was recorded at $268,731 while total revenue was $1.8 million with the main contribution from interest income which totaled $1.5 million. The Fund paid dividend of 2.10 cents in November 2014 and 2.0 cents in May 2015.

The Sagicor Global Balanced Fund remained committed to the implementation of its balanced mandate. The Fund's net assets amounted to $60.7 million down from $64.4 million in 2014. The Net Asset Value decreased to $2.21 from $2.29 at the end of the previous year. The majority of the Fund's assets remained invested in equities which accounted for 61.8% of net assets. The equity segment was split 59.5% internationally and 40.5% regionally. Major regional holdings within the equity portfolio comprised of Goddards Enterprises Ltd. and Massy Holdings Limited which totalled $5.1 million and $3.9 million, respectively.

The Fund's fixed income component was positively impacted by the general flight to quality against the backdrop of intense volatility within equity markets. Major fixed income holdings within the Fund's bond portfolio consisted of exposure to the Government of Barbados and Government of Curacao which amounted to $9.1 million and $3.3 million respectively.

The performance of the Sagicor Select Growth Fund was adversely impacted by the decline in the international equity markets which outweighed the increase in the regional markets. The Net Asset Value decreased from $1.29 recorded the previous year to $1.19. Total assets of the Fund were $30.1 million in 2015. The Fund recorded a loss from ordinary activities of $2.4 million dollars and declined by 7.8% for the year ended September 30, 2015.

The Fund remained largely invested in equities which accounted for 84.1% of net assets while fixed income represented 10.1%. International equity exposure totaled $17.0 million across global equities inclusive of U.S. equities, developed market equities outside the U.S. and emerging market equities. Developed market equities experienced moderate declines while emerging market equities experienced double digit declines for the year. Regional exchanges generally trended positively but with low levels of returns. The BSE and the TTSE returned 2.3% and 0.2%, respectively, for the year ended September 30, 2015. Major regional equity holdings included Goddards Enterprises Ltd. and Banks Holdings Limited shares which shares experienced slight improvement in their relative valuation and totaled $2.4 million and $0.1 million, respectively at the year end. However, the Fund experienced a relative decline in the valuation of its holdings of First Caribbean International Bank shares.

Conclusion

Global growth remained constrained due to depressed commodity prices and weaker growth in emerging markets including the slowdown in China. In the US, economic data continued to show moderate improvement with an increase in consumer spending coupled with improved employment figures.

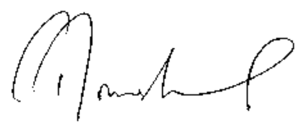
The Euro area registered slight expansion but remained fragile as recessionary and deflationary pressures threaten to derail economic stability. Therefore, the European Central Bank commenced significant monetary policy stimulus through its bond repurchase program and reaffirmed its commitment to protracted stimulus as necessary to stimulate the economy.

Emerging markets continued to experience weaker growth driven by softened commodity prices which are expected to persist for the medium term. Furthermore, Russia and Brazil remain in economic recessions with growth in China, the world's second largest economy, slowing to worrisome levels. This has placed greater emphasis on domestic consumption as a critical future driver of growth within China.

Regionally, economic recovery is expected to gain traction, largely driven by improvement in tourism during 2016. However, we continue to be mindful of the heavy reliance of these economies upon the growth of developed countries and remain cautiously optimistic in this regard.

The Sagicor Funds Inc suite of Funds remains committed to the implementation of their strategic investment mandates. While international interest rates in the US have increased incrementally, the generally low interest rate environment regionally and locally is expected to continue and will favour a short duration strategy. As we navigate the environment prudently, we will actively seek out opportunities to enhance the portfolios composition, credit profile and diversification. The international segment remains a significant source of value as we seek to optimize our strategies and maximize fund value.

We thank you for your support, trust and confidence during the year and although the global economic environment remains uncertain, our management and staff will continue to dedicate themselves to the creation of shareholder value.

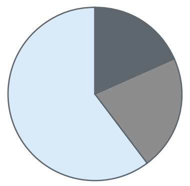


Dr M Patricia Downes-Grant
Chairman

David Wright
Director

GEOGRAPHICAL ALLOCATION 2015

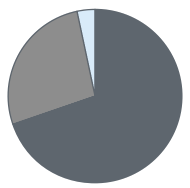
Sagicor Select Growth Fund



Local	18.4%
Regional	21.4%
International	60.2%

GEOGRAPHICAL ALLOCATION 2015

Sagicor Preferred Income Fund



Local:	69.8%
Regional:	26.9%
International:	3.3%

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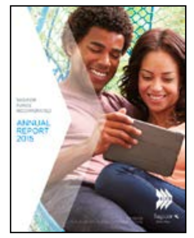

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175 years of innovation

Our corporate footsteps show where we've been, and where we are going. With reliable information, we can ensure the best quality in service for today and tomorrow.

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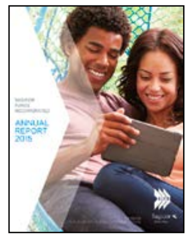

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DIRECTORS, SECRETARY, AUDITORS AND BANKERS

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SECRETARY

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1094 Kingsland Heights
Christ Church, Barbados

AUDITORS

Ernst & Young
Chartered Accountants
Worthing
Christ Church, Barbados

BANKERS

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REGISTERED OFFICE

Cecil F. de Caires Building
Wildey, St Michael, BB15096
Barbados

ASSET MANAGEMENT DEPARTMENT STAFF

Dexter Moe, BSc, MBA, ACIS, CFA	Vice President
Lesley Greaves, BSc, MSc	Manager
Omar Kennedy, BA, MBA	Wealth Manager
Simone Simpson, BSBA, CFA	Portfolio Manager
Michael Millar, BSc, MSc, CFA	Portfolio Manager
Rebie Cumberbatch, BSc, MBA	Investment Analyst
Leeann Woodroffe, BSc	Mutual Fund Administrator/Broker
Samica Hunte, BSc, MSc	Mutual Fund Administrator/Broker
Annette Phillips-Gay, BA	Assistant Fund Administrator
Kara Newsam, BSc	Investment Officer – Treasury
Lisa Ramsay, BSc	Investment Officer – Treasury
Michelle Miller, PSC, APS	Administrative Assistant

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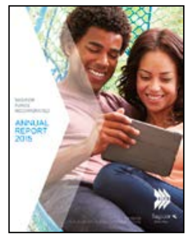

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BARBADOS SALES STAFF

Gay Griffith, CLU, ChFC, VP Sales

AGENCY MANAGERS

Adrian King
Alvin Ward
Charlton Sargeant
Colis Sealey
David Cave
Patricia Gibson
Richard Singh
Robert Headley
Robin Taylor
Suleman Nana
Wayne Alleyne

ADVISORS

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Andre Worrell
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BARBADOS SALES STAFF

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Ramona McCollin
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Rhea Dalrymple
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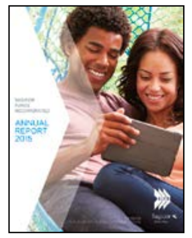

BARBADOS SALES STAFF

Robert Millar
Robert O. Downes
Roderick Nurse, LUTCF, FSS
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Rodney R. Davis
Roger Eversley
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Vallene Worrell
Vaughn Cozier, LUTCF
Wayne Campbell, LUTCF
Winston Howard
Wynthrop Catwell

INDEPENDENTS

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Consuella Lynch, BA, ChFC (SSA)
Ian Forde- (Detached)
Jennifer Applewhaite (SSA)
John Collymore, LUTCF, FSS (Detached)
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Reuben Brathwaite (SSA)

BARBADOS SALES STAFF

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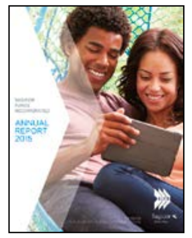

175 years of wisdom

When we act wisely, we act best. Our guiding principle is, and always has been, to do what is wise. For 175 years, we have seen the rewards.

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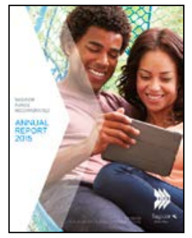

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AUDITORS' REPORT

To the redeemable fund shareholders of Sagicor Global Balanced Fund, Sagicor Preferred Income Fund, Sagicor Select Growth Fund and the common shareholder of Sagicor Funds Incorporated

We have audited the accompanying financial statements of Sagicor Global Balanced Fund, Sagicor Preferred Income Fund, Sagicor Select Growth Fund and Sagicor Funds Incorporated which comprise the statements of financial position as of September 30, 2015, the statements of comprehensive income, changes in net assets attributable to shareholders, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Sagicor Global Balanced Fund, Sagicor Preferred Income Fund, Sagicor Select Growth Fund and Sagicor Funds Incorporated as of September 30, 2015 and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

CHARTERED ACCOUNTANTS
Barbados
24 December 2015

Sagicor Funds Incorporated
Statement of Financial Position
As of September 30, 2015 — *Amounts expressed in Barbados Dollars*

	Notes	2015	2014
		$	$
Assets			
Financial investments	6	1,720,837	1,713,714
Cash and cash equivalents		203,996	124,058
Total assets		1,924,803	1,837,772
Equity			
Common shares	10	1,000,000	1,000,000
Retained earnings		924,803	837,772
Total equity		1,924,803	1,837,772

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on December 24, 2015

Chairman

Director

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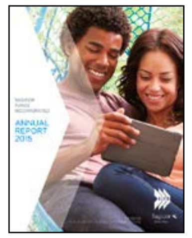

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Sagicor Funds Incorporated
Statement of Changes in Equity
For the year ended September 30, 2015 — *Amounts expressed in Barbados Dollars*

	Common Shares	Retained Earnings	Total
	$	$	$
Balance at September 30, 2013	1,000,000	752,340	1,752,340
Net income for the year	-	85,432	85,432
Balance at September 30, 2014	1,000,000	837,772	1,837,772
Net income for the year	-	87,031	87,031
Balance at September 30, 2015	1,000,000	924,803	1,924,803

The accompanying notes form an integral part of these financial statements.

Sagicor Funds Incorporated
Statement of Comprehensive Income
For the year ended September 30, 2015 — *Amounts expressed in Barbados Dollars*

	Notes	2015	2014
		$	$
Revenue			
Interest income	11	101,930	102,739
Net losses on financial investments	11	(2,435)	(4,687)
		99,495	98,052
Expenses			
Other expenses		120	169
Income from ordinary activities		99,375	97,883
Withholding taxes		(12,344)	(12,451)
Comprehensive income		87,031	85,432

The accompanying notes form an integral part of these financial statements.

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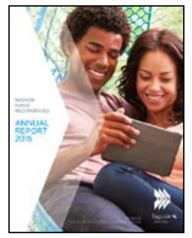

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Sagicor Funds Incorporated
Statement of Cash Flows
For the year ended September 30, 2015 — *Amounts expressed in Barbados Dollars*

	2015	2014
	$	$
Cash flows from operating activities		
Net income for the year	87,031	85,432
Financial investments	(7,123)	(106,017)
Net cash from/(used in) operating activities and net increase/(decrease) in cash and cash equivalents	79,908	(20,585)
Cash and cash equivalents - beginning of year	124,058	144,643
Cash and cash equivalents - end of year	203,966	124,058

The accompanying notes form an integral part of these financial statements.

Sagicor Global Balanced Fund
Statement of Financial Position
As of September 30, 2015 — *Amounts expressed in Barbados Dollars*

	Notes	2015	2014
		$	$
Assets			
Due from related parties	4	31,950	40,573
Due from parent company	4	351,267	351,804
Accounts receivable	5	21,743	57,152
Financial investments	6	58,133,890	58,563,772
Cash and cash equivalents		2,613,183	5,746,802
Total assets		61,152,033	64,760,103
Liabilities			
Due to related parties	4	319,154	257,218
Due to parent company	4	12,608	12,935
Accounts payable	8	96,729	118,016
Total liabilities (excluding those attibutable to fund shareholders)		428,491	388,169
Net assets attributable to fund shareholders	9	60,723,542	64,371,934
Total liabilities		61,152,033	64,760,103
No. of redeemable Global Balanced Fund shares outstanding at end of year		27,522,108	28,084,352
Net asset value per redeemable Sagicor Global Balanced Fund share at end of year		2.21	2.29
(Decrease)/increase in net asset value per redeemable Sagicor Global Balanced Fund share at end of year		-3.5%	5.0%

The accompanying notes form an integral part of these financial statements.
Approved by the Board of Directors on December 24, 2015

Chairman

Director

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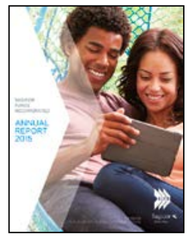

Sagicor Global Balanced Fund
Statement of Changes in Net Assets Attributable to Fund Shareholders
For the year ended September 30, 2015 *Amounts expressed in Barbados Dollars*

	2015		2014	
	Number of Shares	Total $	Number of Shares	Total $
Balance at beginning of year	28,084,352	64,371,934	27,799,042	60,627,158
Proceeds from issue of shares	1,172,110	2,679,048	2,233,085	5,083,249
Redemption of shares	(1,734,354)	(3,959,856)	(1,947,775)	(4,412,021)
Net (decrease)/increase from share transactions	(562,244)	(1,280,808)	285,310	671,228
(Decrease)/increase in net assets attributable to fund shareholders from operations	-	(2,367,584)	-	3,073,548
Balance at end of year	27,522,108	60,723,542	28,084,352	64,371,934

The accompanying notes form an integral part of these financial statements.

Sagicor Global Balanced Fund
Statement of Comprehensive Loss
For the year ended September 30, 2015 *Amounts expressed in Barbados Dollars*

	Notes	2015 $	2014 $
Revenue			
Interest income	11	1,204,351	1,121,931
Dividend income		879,343	824,779
Net (losses)/gains on financial investments	11	(2,849,121)	2,739,903
		(765,427)	4,686,613
Expenses			
Management fee	12	1,109,329	1,086,313
Custodian fee	12	158,476	155,188
Other expenses		208,985	242,948
		1,476,790	1,484,449
(Loss)/income from ordinary activities		(2,242,217)	3,202,164
Withholding taxes		(125,367)	(128,616)
(Decrease)/increase in net assets attributable to fund shareholders from operations and comprehensive (loss)/income		(2,367,584)	3,073,548

The accompanying notes form an integral part of these financial statements.

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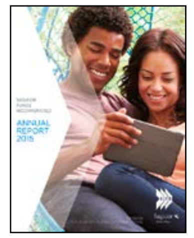

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Sagicor Global Balanced Fund
Statement of Cash Flows
For the year ended September 30, 2015 — *Amounts expressed in Barbados Dollars*

	2015	2014
	$	$
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to fund shareholders		
from operations and net (loss)/income for the year	(2,367,584)	3,073,548
Changes in operating assets and liabilities		
Due from related parties	8,623	(24,941)
Due from parent company	537	18,222
Accounts receivable	35,409	(32,831)
Financial investments	429,882	(4,690,463
Due to related parties	61,936	(2,099,802)
Due to parent company	(327)	(1,769)
Accounts payable	(21,287)	100,046
Net cash used in operating activities	(1,852,811)	(3,657,990)
Cash flows from financing activities		
Proceeds from issue of shares	2,679,048	5,083,249
Redemption of shares	(3,959,856)	(4,412,021)
Net cash (used in)/from financing activities	(1,280,808)	671,228
Net decrease in cash and cash equivalents	(3,133,619)	(2,986,762)
Cash and cash equivalents - beginning of year	5,746,802	8,733,564
Cash and cash equivalents - end of year	2,613,183	5,746,802
Cash and cash equivalents:		
Cash resources	2,613,183	3,095,207
Call deposits	-	2,651,595
	2,613,183	5,746,802

The accompanying notes form an integral part of these financial statements

Sagicor Preferred Income Fund
Statement of Financial Position
As of September 30, 2015 — *Amounts expressed in Barbados Dollars*

	Notes	2015	2014
		$	$
Assets			
Due from related parties	4	71,153	43,552
Due from parent company	4	19,471	19,471
Accounts receivable	5	239,655	127,119
Financial investments	6	27,697,059	26,105,541
Cash and cash equivalents		2,173,640	2,812,973
Total assets		30,200,978	29,108,656
Liabilities			
Due to related parties	4	21,497	36,738
Due to parent company	4	6,197	5,891
Accounts payable	8	16,938	16,226
Total liabilities (excluding those attibutable to fund shareholders)		44,632	58,855
Net assets attributable to fund shareholders	9	30,156,346	29,049,801
Total liabilities		30,200,978	29,108,656
No. of redeemable Sagicor Preferred Income Fund shares outstanding at end of year		28,463,497	27,654,900
Net asset value per redeemable Sagicor Preferred Income Fund share at end of year		1.06	1.05
Increase in net asset value per redeemable Sagicor Preferred Income Fund share at end of year		1.0%	1.0%

The accompanying notes form an integral part of these financial statements.
Approved by the Board of Directors on December 24, 2015

Chairman — Director

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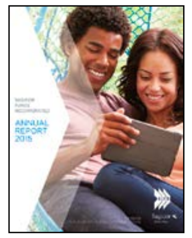

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Sagicor Preferred Income Fund
Statement of Changes in Net Assets Attributable to Fund Shareholders
For the year ended September 30, 2015 *Amounts expressed in Barbados Dollars*

	2015		2014	
	Number of Shares	Total $	Number of Shares	Total $
Balance at beginning of year	27,654,900	29,049,801	31,545,389	32,962,234
Proceeds fom issue of shares	2,801,207	2,933,462	2,034,884	2,135,355
Redemption of shares	(1,992,610)	(2,095,648)	(5,925,373)	(6,212,544)
Net increase/(decrease) from share transactions	808,597	837,814	(3,890,489)	(4,077,189)
Increase in net assets attributable to fund shareholders from operations	-	268,731	-	164,756
Balance at end of year	28,463,497	30,156,346	27,654,900	29,049,801

The accompanying notes form an integral part of these financial statements.

Sagicor Preferred Income Fund
Statement of Comprehensive Income
For the year ended September 30, 2015 *Amounts expressed in Barbados Dollars*

	Notes	2015 $	2014 $
Revenue			
Interest income	11	1,531,080	1,607,105
Dividend income		15,000	10,500
Net gains/(losses) on financial investments	11	301,766	(93,531)
		1,847,846	1,524,074
Expenses			
Management fee	12	221,086	218,649
Custodian fee	12	73,695	72,883
Other expenses		49,149	51,189
		343,930	342,721
Income from ordinary activities		1,503,916	1,181,353
Finance costs			
Distribution to fund shareholders		(1,138,379)	(901,034)
Income before withholding taxes		365,537	280,319
Withholding taxes		(96,806)	(115,563)
Increase in net assets attributable to fund shareholders from operations and comprehensive income		268,731	164,756

The accompanying notes form an integral part of these financial statements.

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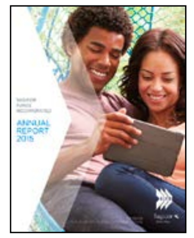


Sagicor Preferred Income Fund
Statement of Cash Flows
For the year ended September 30, 2015

Amounts expressed in Barbados Dollars

	2015	2014
	$	$
Cash flows from operating activities		
Increase in net assets attributable to fund shareholders		
from operations and net income for the year	268,731	164,756
Changes in operating assets and liabilities		
Due from related parties	(27,601)	1,145,004
Accounts receivable	(112,536)	(38,838)
Financial investments	(1,591,518)	4,698,243
Due to related parties	(15,241)	(2,499)
Due to parent company	306	(1,184)
Accounts payable	712	15,720
Net cash (used in)/from operating activities	(1,477,147)	5,981,202
Cash flows from financing activities		
Proceeds from issue of shares	2,933,462	2,135,355
Redemption of shares	(2,095,648)	(6,212,544)
Net cash from/(used in) financing activities	837,814	(4,077,189)
Net (decrease)/increase in cash and cash equivalents	(639,333)	1,904,013
Cash and cash equivalents - beginning of year	2,812,973	908,960
Cash and cash equivalents - end of year	2,173,640	2,812,973
Cash and cash equivalents:		
Cash resources	1,091,600	1,612,973
Call deposits	1,082,040	1,200,000
	2,173,640	2,812,973

The accompanying notes form an integral part of these financial statements.

Sagicor Select Growth Fund
Statement of Financial Position
As of September 30, 2015

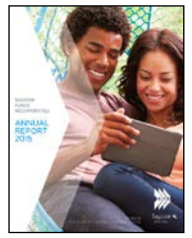
Amounts expressed in Barbados Dollars

	Notes	2015	2014
		$	$
Assets			
Due from related parties	4	13,330	554
Due from parent company	4	213,983	213,983
Accounts receivable	5	-	21,540
Financial investments	6	28,250,507	28,455,487
Cash and cash equivalents		1,592,690	3,801,394
Total assets		30,070,510	32,492,958
Liabilities			
Due to related parties	4	28,261	38,465
Due to parent company	4	6,326	6,658
Accounts payable	8	36,313	55,341
Total liabilities (excluding those attibutable to fund shareholders)		70,900	100,464
Net assets attributable to fund shareholders	9	29,999,610	32,392,494
Total liabilities		30,070,510	32,492,958
No. of redeemable Sagicor Select Growth Fund			
shares outstanding at end of year		25,155,134	25,127,968
Net asset value per redeemable Sagicor Select Growth Fund			
share at end of year		1.19	1.29
(Decrease)/increase in net asset value per redeemable			
Sagicor Select Growth Fund share at end of year		-7.8%	7.5%

The accompanying notes form an integral part of these financial statements.
Approved by the Board of Directors on December 24, 2015

Chairman

Director



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Sagicor Select Growth Fund
Statement of Changes in Net Assets Attributable to Fund Shareholders
For the year ended September 30, 2015 — *Amounts expressed in Barbados Dollars*

	2015		2014	
	Number of Shares	Total $	Number of Shares	Total $
Balance at beginning of year	25,127,968	32,392,494	23,775,495	28,616,904
Proceeds from issue of shares	2,568,333	3,287,560	2,923,791	3,731,755
Redemption of shares	(2,541,167)	(3,238,654)	(1,571,318)	(1,993,776)
Net increase from share transactions	27,166	48,906	1,352,473	1,737,979
(Decrease)/increase in net assets attributable to fund shareholders from operations	-	(2,441,790)	-	2,037,611
Balance at end of year	25,155,134	29,999,610	25,127,968	32,392,494

The accompanying notes form an integral part of these financial statements.

Sagicor Select Growth Fund
Statement of Comprehensive Loss
For the year ended September 30, 2015 — *Amounts expressed in Barbados Dollars*

	Notes	2015 $	2014 $
Revenue			
Interest income	11	146,077	79,772
Dividend income		584,680	554,597
Net (losses)/gains on financial investments	11	(2,316,449)	1,945,124
		(1,585,692)	2,579,493
Expenses			
Management fee	12	240,829	229,735
Custodian fee	12	80,276	76,578
Other expenses		485,329	193,974
		806,434	500,287
(Loss)/income from ordinary activities		(2,392,126)	2,079,206
Withholding taxes		(49,664)	(41,595)
(Decrease)/increase in net assets attributable to fund shareholders from operations and comprehensive (loss)/income		(2,441,790)	2,037,611

The accompanying notes form an integral part of these financial statements.

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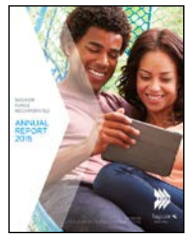

	2015	2014
	$	$
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to fund shareholders from operations and net (loss)/income for the year	(2,441,790)	2,037,611
Changes in operating assets and liabilities		
Due from related parties	(12,776)	953,783
Accounts receivable	21,540	3,184
Financial investments	204,980	(1,166,282)
Due to related parties	(10,204)	(8,393)
Due to parent company	(332)	560
Accounts payable	(19,028)	41,221
Net cash (used in)/from operating activities	(2,257,610)	1,861,684
Cash flows from financing activities		
Proceeds from issue of shares	3,287,560	3,731,755
Redemption of shares	(3,238,654)	(1,993,776)
Net cash from financing activities	48,906	1,737,979
Net (decrease)/increase in cash and cash equivalents	(2,208,704)	3,599,663
Cash and cash equivalents - beginning of year	3,801,394	201,731
Cash and cash equivalents - end of year	1,592,690	3,801,394
Cash and cash equivalents comprise:		
Cash resources	1,091,491	3,345,503
Call deposits	501,199	455,891
	1,592,690	3,801,394

The accompanying notes form an integral part of these financial statements.

1. REGISTRATION, PRINCIPAL ACTIVITY AND REGISTERED OFFICE

Sagicor Funds Incorporated ("the Company"), which is wholly owned by Sagicor Life Inc., was incorporated in Barbados on May 20, 1997 and includes all the mutual funds currently operated by the Sagicor Group.

On June 2, 1997, the Company issued Series A and Series AU shares known as Sagicor Global Balanced Fund shares, constituting the Sagicor Global Balanced Fund.

On December 2, 2004, Series B and Series BU shares known as Sagicor Preferred Income Fund shares, constituting the Sagicor Preferred Income Fund and Series C and Series CU shares known as Sagicor Select Growth Fund shares, constituting the Sagicor Select Growth Fund were issued.

The aim of Sagicor Global Balanced Fund (SGBF) is to provide investors with an avenue for investment in local, regional and international markets, to achieve a reasonable return of income and long-term capital appreciation. The aim of Sagicor Preferred Income Fund (SPIF) is to achieve a high level of current income and preservation of capital through investments in a diversified portfolio of debt securities, asset backed securities, high income funds and selected equities. The aim of Sagicor Select Growth Fund (SSGF) is to achieve above average total returns over the long term through investments primarily in a diversified portfolio of international equities, other mutual funds with growth strategies and other select securities.

Management has determined that, although the Company has the power to direct the relevant activities of each Fund, it does not control those activities on the grounds that it has no exposure or rights from variable returns from its involvement with each of SGBF, SPIF and SSGF ("the Funds"). Variable returns are attributable to the redeemable preferred shareholders of those Funds. Management of the Company re-assesses whether or not it controls a Fund if facts and circumstances indicate that there are changes to the key elements of control. Consequently, these financial statements comprise those of the Company, excluding those of the individual Funds and, separately, each of the individual Funds operated by the Company.

Sagicor Asset Management Inc. is the appointed Investment Advisor and Manager of the Funds and administers the Funds from its offices at Cecil F. DeCaires Building, Wildey, St. Michael, Barbados.

Each of the Fund's shares are redeemable at the option of the holder and are listed on the Barbados Securities Exchange for informational purposes. The shares cannot be traded on the stock exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss, that have been measured at fair value.These financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS).

All amounts in these financial statements are shown in Barbados dollars unless otherwise stated.

(a) Adoption of new accounting policies

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 October 2014 that would be expected to have a material impact on the Company or the Funds.

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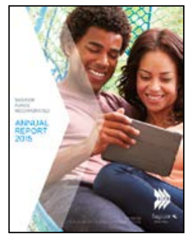

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) Future changes in accounting policies

IFRS 9, 'Financial instruments', issued but not yet effective up to the date of issuance of these financial statements, addresses the classification, measurement and recognition of financial assets and financial liabilities.

IFRS 9 was issued in November 2009 and October 2010 and is applicable from January 1, 2018. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company has yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 October 2018.

2.2 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the Company and the Funds are measured using the currency of the primary economic environment in which they operate (the functional currency). The financial statements are presented in Barbados dollars, which is the Company's and the Funds' functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Currency exchange rates are determined by reference to the respective central banks. Currencies which are fixed to the United States dollar are converted into Barbados dollars at the equivalent fixed rates. Currencies which float are converted to the Barbados dollar by reference to the average of buying and selling rates quoted by the respective central banks.

Exchange rates of the other principal operating currencies to the Barbados dollar were as follows:

	September		September	
	2015 closing rate	**2015 average rate**	**2014 closing rate**	**2014 average rate**
Eastern Caribbean dollar	1.35	1.35	1.35	1.35
Jamaica dollar	59.35	57.93	56.24	54.90
Trinidad & Tobago dollar	3.17	3.17	3.18	3.20
United States dollar	0.50	0.50	0.50	0.50

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Financial instruments

(a) Classification

The Company and the Funds classify their financial instruments into two categories:

- financial assets and liabilities at fair value through profit or loss and;
- loans and receivables

Management determines the appropriate classification of these assets at initial recognition.

Financial assets and liabilities at fair value through profit or loss
Financial assets and liabilities in this category have been so designated by management at inception since the assets form part of a managed portfolio whose performance is evaluated on a fair value basis in accordance with a documented investment strategy.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds may include in this category certain debt securities, amounts relating to reverse repurchase agreements, cash collateral on securities borrowed and other short-term receivables.

(b) Recognition and measurement

The Company and the Funds recognise a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Funds commit to purchase or sell the asset. Cost of purchases includes transaction costs for assets classified as loans and receivables.

Loans and receivables are carried at amortised cost less provision for impairment.

Financial assets in the category at fair value through profit and loss are measured initially at cost and are subsequently re-measured at their fair value based on quoted prices or internal valuation techniques. Realised and unrealised gains and losses are recognised in profit or loss.

(c) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Company or the Funds have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and,
- Either (a) the Company or the Funds have transferred substantially all the risks and rewards of the asset, or (b) the Company or the Funds have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Company and the Funds derecognise a financial liability when the obligation under the liability is discharged, cancelled or expired.

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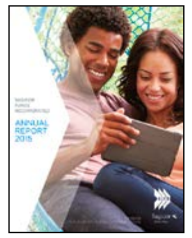

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Financial instruments (continued)

(d) Fair value

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market value, if one exists.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. The fair value of alternative investments, which comprise mutual funds, is based upon net asset values provided by the fund managers and administrators.

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable market data where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs such as credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy (Note 7.5). The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

(e) Impaired financial assets

The Company and the Funds assess at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in repayments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss, if any, is recognised in the statement of comprehensive income as a credit loss expense.

Impaired debts together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company or the Funds. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

2.4 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

- cash balances,
- call deposits,
- other liquid balances with maturities of three months or less from the acquisition date.

Cash equivalents are subject to an insignificant risk of change in value.

Sagicor Funds Incorporated
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For the year ended September 30, 2015 *Amounts expressed in Barbados Dollars*

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Provisions

Provisions are recognised when the Company or the Funds have a legal or constructive obligation, as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.6 Interest income

Interest income is recognised in profit or loss for all interest bearing instruments on an accrual basis using the effective interest method based on the actual purchase price. Interest includes coupon interest on fixed rate financial instruments and accrued discount and premium on discounted instruments.

2.7 Dividend income

Dividend income is recognized when the Company or the Funds' rights to receive payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which is disclosed separately in the statement of comprehensive income.

2.8 Taxation

The Funds operate under The Mutual Fund Act 1998-45. Consequently the Funds will not be subject to corporation tax on income derived from their investing activities provided that all income arising in an income year is designated to be income of the fund shareholders.

The Funds currently incur withholding taxes imposed by certain countries or financial institutions on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

2.9 Distributions

Distributions are paid twice annually to holders of redeemable SPIF shares. Since redeemable fund shares are regarded as a liability (Note 2.12), distributions are treated as an expense in the determination of net income for the year.

2.10 Management fee, Investment Advisory and Custodian fees

Sagicor Asset Management Inc. (SAMI) serves as investment adviser and manager to the Funds. As a result of the provision of these services by SAMI, a management fee based on the actual net asset value of each Fund is calculated weekly and payable in arrears. The rate charged is 1.75% per annum for SGBF and 0.75% for SPIF and SSGF.

Morgan Stanley (MSL) and Oppenheimer & Co (Oppenheimer) serve as consultants to the investment adviser. MSL earns a management fee calculated at 1.00% per annum of the value of the portfolio of assets under their management. This is payable quarterly. Oppenheimer earns a management fee calculated at 1.25% - 3% of the asset value of the portfolio managed, which is also payable quarterly.

Sagicor Life Inc (Sagicor) serves as custodian of the SSGF whereas both Sagicor and Maduro and Curiel's Bank NV (Maduro) serve as custodians of SGBF and SPIF. As a result of providing custodial services, Sagicor receives a custodian fee based on the actual net asset value of each Fund, calculated weekly and payable in arrears, at the rate of 0.25% per annum. Maduro receives a custodian fee based on 1.00% per annum of the value of the assets under their custody. This fee is payable semi-annually.

2.11 Net asset value per share

The Fund's net asset value per share is calculated by dividing the net assets attributable to shareholders (calculated in accordance with redemption requirements) by the number of shares in issue.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Redeemable fund shares

Redeemable fund shares are redeemable at the shareholders' option and are classified as financial liabilities. The liabilities arising from the redeemable fund shares are carried at the redemption amount being the net asset value calculated in accordance with IFRS. The Fund issues shares at the net asset value of the existing shares. The holder of the redeemable fund shares can redeem them for cash equal to a proportionate share of the Fund's net asset value.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Funds' financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, it is determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as credit risk, correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

3.2 Impairment of financial assets

A loan or a receivable is considered impaired when management determines that it is probable that all amounts due according to the original contract terms will not be collected. This determination is made after considering the payment history, the financial condition and the financial viability of the borrower.

The determination of impairment may either be considered by individual asset or by a grouping of assets with similar relevant characteristics.

4. RELATED PARTY BALANCES

These balances are interest free, unsecured and have no fixed terms of repayment.

5. ACCOUNTS RECEIVABLE

	2015	2014
	$	$
Sagicor Global Balanced Fund		
Interest receivable	21,743	14,495
Other	-	42,657
	21,743	57,152
Sagicor Preferred Income Fund		
Interest receivable	188,988	127,119
Unsettled trades	50,667	-
	239,655	127,119
Sagicor Select Growth Fund		
Dividends receivable	-	3,429
Unsettled trades	-	18,111
	-	21,540

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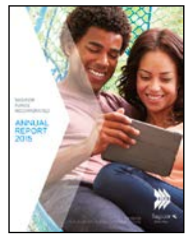

For the year ended September 30, 2015 Amounts expressed in Barbados Dollars

6. FINANCIAL INVESTMENTS

Analysis of financial investments

	2015 $	2014 $
Sagicor Funds Incorporated		
Securities at fair value through profit and loss:		
Fixed income securities		
Government debt securities	1,208,163	1,210,598
Loans and receivables:		
Deposits	512,674	503,116
Total Sagicor Funds Incorporated financial investments	1,720,837	1,713,714
Sagicor Global Balanced Fund		
Securities at fair value through profit and loss:		
Fixed income securities		
Government debt securities	16,768,419	15,824,182
Corporate debt securities	2,165,219	2,050,727
Total fixed income securities	18,933,638	17,874,909
Equity securities		
Quoted equity securities	33,459,645	35,327,115
Managed mutual funds	4,066,376	5,200,480
Total equity securities	37,526,021	40,527,595
Loans and receivables:		
Government debt securities	143,951	161,268
Deposits	1,530,280	-
	1,674,231	161,268
Total Sagicor Global Balanced Fund's financial investments	58,133,890	58,563,772

6. FINANCIAL INVESTMENTS (continued)

Analysis of financial investments (continued)

	2015 $	2014 $
Sagicor Preferred Income Fund		
Securities at fair value through profit and loss:		
Fixed income securities		
Government debt securities	20,355,006	20,012,225
Corporate debt securities	3,113,196	1,802,044
Total fixed income securities	23,468,202	21,814,269
Equity securities		
Quoted equity securities	492,000	473,250
Managed mutual funds	-	1,666,841
Total equity securities	492,000	2,140,091
Loans and receivables:		
Corporate debt securities	412,999	412,999
Government debt securities	959,287	1,074,687
Deposits	2,364,571	663,495
	3,736,857	2,151,181
Total Sagicor Preferred Income Fund's financial investments	27,697,059	26,105,541
Sagicor Select Growth Fund		
Securities at fair value through profit and loss:		
Fixed income securities		
Government debt securities	1,852,054	-
Corporate debt securities	1,179,563	1,159,295
Total fixed income securities	3,031,617	1,159,295
Equity securities		
Quoted equity securities	22,734,760	24,416,303
Managed mutual funds	2,484,130	2,879,889
Total equity securities	25,218,890	27,296,192
Total Sagicor Select Growth Fund's financial investments	28,250,507	28,455,487

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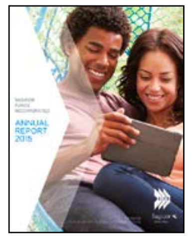

7. FINANCIAL RISK

The Funds' activities of accepting funds from shareholders and investing these funds in a variety of financial and other assets expose the Funds to various financial risks.

Financial risks include credit, liquidity and market risks. Market risk arises from changes in interest rates, equity prices, currency exchange rates or other market factors. Each Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The effects of these risks are disclosed in the sections below.

7.1 Credit risk

Credit risk is the exposure that the counterparty to a financial instrument is unable to meet an obligation, thereby causing a financial loss to the Company or the Funds. Credit risk is primarily associated with financial investments held.

Credit risk from financial investments is minimised through holding a diversified portfolio of investments, purchasing securities only after careful assessment of the borrower, and placing deposits with financial institutions with a strong capital base. Limits may be placed on the amount of risk accepted in relation to one borrower.

The maximum exposures of the Funds to credit risk are set out in the following table.

	2015		2014	
	$	%	$	%
Sagicor Funds Incorporated				
Debt securities	1,208,163	63	1,210,598	66
Loans and receivables	512,674	27	503,116	27
Cash and cash equivalents	203,966	10	124,058	7
Total balance sheet exposures	1,924,803	100	1,837,772	100
Sagicor Global Balanced Fund				
Due from related parties	31,950	-	40,573	-
Due from parent company	351,267	2	351,804	2
Accounts receivable	21,743	-	57,152	-
Debt securities	18,933,638	80	17,874,909	74
Loans and receivables	1,674,231	7	161,268	-
Cash and cash equivalents	2,613,183	11	5,746,802	24
Total balance sheet exposures	23,626,012	100	24,232,508	100

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7. FINANCIAL RISK (continued)

7.1 Credit risk (continued)

	2015		2014	
	$	%	$	%
Sagicor Preferred Income Fund				
Due from related parties	71,153	-	43,552	-
Due from parent company	19,471	-	19,471	-
Accounts receivable	239,655	1	127,119	-
Debt securities	23,468,202	79	21,814,269	81
Loans and receivables	3,736,857	13	2,151,181	8
Cash and cash equivalents	2,173,640	7	2,812,973	11
Total balance sheet exposures	29,708,978	100	26,968,565	100
Sagicor Select Growth Fund				
Due from related parties	13,330	-	554	-
Due from parent company	213,983	5	213,983	4
Accounts receivable	-	-	21,540	-
Debt securities	3,031,617	62	1,159,295	23
Cash and cash equivalents	1,592,690	33	3,801,394	73
Total balance sheet exposures	4,851,620	100	5,196,766	100

7.1.1 Risk concentration of maximum exposure to credit risk

Concentrations of credit risk arise when a number of financial instruments are entered into with the same counterparty, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Company's and the Funds' policies and procedures include specific guidelines to focus on maintaining a diversified portfolio.

The Company's and the Funds' exposure to individual counterparty credit risk exceeding 2.5% of total exposures is set out below.

	2015	2014
	$	$
Sagicor Funds Incorporated		
Debt securities:		
Government of Barbados debenture denominated in Barbados dollars (rated B by Standard and Poors)	1,208,163	1,210,598
Deposits and cash resources:		
First Citizens Bank (Barbados) Limited (rated BBB+ by Standard and Poors)	716,640	627,174

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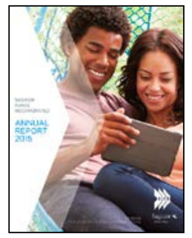

7. FINANCIAL RISK (continued)

7.1 Credit risk (continued)

7.1.1 Risk concentration of maximum exposure to credit risk (continued)

	2015 $	2014 $
Sagicor Global Balanced Fund		
Debt securities:		
Government of Barbados debt securities denominated in United States dollars (rated B by Standard and Poors)	1,274,590	1,149,909
Government of Barbados debt securities denominated in Barbados dollars (rated B by Standard and Poors)	7,859,525	8,632,937
Government of Curacao debt securities denominated in Netherland Antilles Florins (rated A- by Standard and Poors)	3,263,464	3,543,938
Simpson Finance Limited debt securities denominated in Barbados dollars (unrated)	1,698,571	1,669,385
Commonwealth of Bahamas debt securities denominated in United dollars (BBB- by Standard and Poors)	1,089,818	-
Deposits and cash resources:		
First Citizens Bank (Barbados) Limited (rated BBB+ by Standard and Poors)	732,392	2,996,310
Capita Financial Services Inc.(unrated)	1,013,616	-
Morgan Stanley (rated A- by Standard and Poors)	1,333,217	2,211,756
Oppenheimer & Co. Inc (rated B by Standard and Poors)	184,500	104,395
CIBC FirstCaribbean International Bank (unrated)	623,697	27,993
Bank of Montreal (rated A+ by Standard and Poors)	51,931	46,542
Maudro and Curiel's Bank N.V. (unrated)	203,550	359,246

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7. FINANCIAL RISK (continued)

7.1 Credit risk (continued)

7.1.1 Risk concentration of maximum exposure to credit risk (continued)

	2015 $	2014 $
Sagicor Preferred Income Fund		
Debt securities:		
Government of Barbados debt securities denominated in United States dollars (rated B by Standard and Poors)	2,692,789	2,710,218
Government of Barbados debt securities denominated in Barbados dollars (rated B by Standard and Poors)	12,066,168	13,235,729
Government of Bermuda debt securities denominated in United States dollars (rated A+ by Standard and Poors)	2,223,279	1,368,654
Government of St. Kitts and Nevis debt securities denominated in United States dollars (unrated)	959,287	1,074,688
Simpson Finance Limited debt securities denominated in Barbados dollars (unrated)	1,132,380	1,112,924
Government of Aruba debt securities denominated in United States dollars (rated BBB+ by Standard and Poors)	1,676,114	1,631,514
Government of Dominican Republic debt securities denominated in United States dollars (BB- by Standard and Poors)	353,580	505,915
Government of St.Lucia debt securities denominated in United States dollars (unrated)	870,702	-
Sagicor Financial Limited debt securities denominated in United States dollars (B by Standard and Poors)	1,292,496	-
Deposits and cash resources:		
First Citizens Bank (Barbados) Limited (rated BBB+ by Standard and Poors)	1,967,842	2,334,820
Oppenheimer & Co Inc. (rated B by Standard and Poors)	156,168	526,950
CIBC FirstCaribbean International Bank (unrated)	10,559	59,296
Sagicor Preferred Income Fund (continued)		
Morgan Stanley (rated A- by Standard and Poors)	567,695	494,503
Capita Financial Services Inc. (unrated)	1,774,438	-
RBTT Bank (SKN) Limited (unrated)	61,510	60,901

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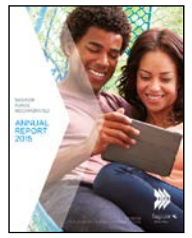

7. FINANCIAL RISK (continued)

7.1 Credit risk (continued)

7.1.1 Risk concentration of maximum exposure to credit risk (continued)

	2015 $	2014 $
Sagicor Select Growth Fund		
Debt securities:		
Simpson Finance Limited - denominated in Barbados dollars (unrated)	1,179,563	1,159,295
Government of Bermuda debt securities denominated in United States dollars (rated A+ by Standard and Poors)	926,007	-
Government of St.Lucia debt securities denominated in United States dollars (unrated)	926,047	-
Deposits and cash resources:		
First Citizens Bank (Barbados) Limited (rated BBB+ by Standard and Poors)	126,198	685,007
Capita Financial Services Inc. (unrated)	501,199	-
Oppenheimer & Co Inc.(rated B by Standard and Poors)	346,982	1,988,941
Morgan Stanley (rated A- by Standard and Poors)	618,312	1,127,455

Past due and impaired financial investments

A financial asset is past due when a counterparty has failed to make payment when contractually due. The Funds are most exposed to the risk of past due assets with respect to their financial investments; namely debt securities classified as loans and receivables.

An indication that the fair value of debt securities is adversely impacted is when amounts are past due, when the borrower is experiencing cash flow difficulties, or when the borrower's credit rating has been downgraded.

7.2 Liquidity risk

Liquidity risk is the exposure that the Funds may have insufficient cash resources to meet their obligations as they become due. The Funds are exposed to daily calls on their available cash resources for redemptions and operating expenses. Shares are redeemable at the holder's option based on the Funds' net asset value per share at the time of redemption calculated in accordance with the Funds' constitution.

Liquidity management is therefore primarily designed to ensure that funding requirements can be met; including the replacement of existing funds as they are withdrawn. The Funds manage their liquidity risk by investing primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Funds' policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. Liquidity risk also arises when excess funds accumulate resulting in the loss of opportunity to increase investment returns. Through experience and monitoring, the management of the Funds is able to maintain sufficient liquid resources to meet current obligations.

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7. FINANCIAL RISK (continued)

7.2 Liquidity risk (continued)

(a) Financial liabilities

An analysis of financial liabilities by remaining contract maturities for 2015 and 2014, indicate that all the Funds' financial liabilities are due within one year or payable on demand.

(b) Financial assets

The maturity profiles of the Funds' financial assets are summarised in the following tables. Maturity profile amounts are stated at their carrying values recognised in the statement of financial position and are analysed by their contractual maturity dates.

All assets mature within one year, except for the investments in debt instruments which mature as follows:

	Due within 1 year $	Due within 1 and 5 years $	Due after 5 years $	Total $
As of September 30, 2015				
Sagicor Funds Incorporated	-	1,208,163	-	1,208,163
Sagicor Global Balanced Fund	610,212	6,514,757	11,952,620	19,077,589
Sagicor Preferred Income Fund	3,758,596	10,859,649	10,222,243	24,840,488
Sagicor Select Growth Fund	926,047	-	2,105,570	3,031,617
As of September 30, 2014				
Sagicor Funds Incorporated	-	1,210,598	-	1,210,598
Sagicor Global Balanced Fund	303,918	6,550,679	11,181,580	18,036,177
Sagicor Preferred Income Fund	1,032,212	11,231,618	11,038,125	23,301,955
Sagicor Select Growth Fund	-	-	1,159,295	1,159,295

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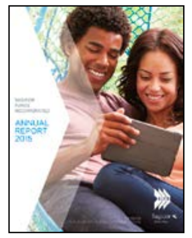

7. FINANCIAL RISK (continued)

7.3 Interest rate risk

The Funds are exposed to interest rate risk. Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The return on financial investments may be variable, fixed for a term or fixed to maturity. On reinvestment of a matured investment, the returns available on the new investment may be significantly different from the returns formerly achieved. This is known as reinvestment risk.

The Funds are therefore exposed to the effects of fluctuations in the prevailing levels of market interest rates on their financial positions and cash flows. Interest margins may increase or decrease as a result of such changes.

The majority of interest rate exposure arises on investment in debt securities in the regional and international markets. The Funds' investments in debt securities carry fixed interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Funds invest in a diversified portfolio of fixed income securities and measures the average effective duration of this portfolio.

(a) Financial liabilities

All the Funds' financial liabilities are non-interest bearing for 2015 and 2014.

(b) Financial assets

Assets bearing interest rate risk comprise all of each Fund's debt securities, deposits and certain balances of cash and cash equivalents. The table below shows each Fund's exposure to interest rate risk on its cash and cash equivalents.

	Interest bearing $	Non-interest bearing $	Total $
As of September 30, 2015			
Sagicor Funds Incorporated	-	203,966	203,966
Sagicor Global Balanced Fund	1,721,827	891,356	2,613,183
Sagicor Preferred Income Fund	1,805,903	367,737	2,173,640
Sagicor Select Growth Fund	1,466,492	126,198	1,592,690
As of September 30, 2014			
Sagicor Funds Incorporated	-	124,058	124,058
Sagicor Global Balanced Fund	5,327,553	419,249	5,746,802
Sagicor Preferred Income Fund	2,221,453	591,520	2,812,973
Sagicor Select Growth Fund	3,572,277	229,117	3,801,394

The table below summarises the average interest yields on financial assets held during the year.

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7. FINANCIAL RISK (continued)

7.3 Interest rate risk (continued)

	2015 Deposits	2015 Debt securities	2014 Deposits	2014 Debt securities
Sagicor Funds Incorporated	2.1%	7.9%	2.6%	7.8%
Sagicor Global Balanced Fund	4.1%	6.2%	1.6%	6.5%
Sagicor Preferred Income Fund	3.7%	6.2%	2.2%	6.4%
Sagicor Select Growth Fund	1.6%	5.4%	1.2%	5.6%

Sensitivity

The table below demonstrates the sensitivity of the Funds' income for the year to a reasonably possible change in interest rates, with all other variables held constant. The effect of an increase in interest rates to debt securities at fair value through profit and loss at the statement of financial position date to revenue and income from ordinary activities is as follows.

	2015 $	2014 $
Sagicor Global Balanced Fund		
Total debt securities at fair value through profit and loss	18,933,638	17,874,909
Revenue effect and effect on income from ordinary activities of an increase in interest rates of 1%	(623,735)	(726,789)
Sagicor Preferred Income Fund		
Total debt securities at fair value through profit and loss	23,468,202	21,814,269
Revenue effect and effect on income from ordinary activities of an increase in interest rates of 1%	(735,093)	(786,763)
Sagicor Select Growth Fund		
Total debt securities at fair value through profit and loss	3,031,617	1,159,295
Revenue effect and effect on income from ordinary activities of an increase in interest rates of 1%	(115,899)	(60,074)
Sagicor Funds Inc.		
Total debt securities at fair value through profit and loss	1,208,163	1,210,598
Revenue effect and effect on income from ordinary activities of an increase in interest rates of 1%	(33,244)	(33,106)

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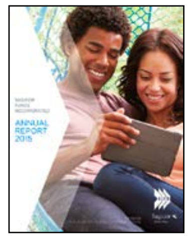

7. FINANCIAL RISK (continued)

7.4 Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Funds invest in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Funds' assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Funds will necessarily be subject to foreign exchange risk. Since the Barbados dollar and the Eastern Caribbean (EC) dollar is fixed against the United States (US) dollar, there is no exposure to foreign exchange risk for assets and liabilities held in either US or EC dollars. The Fund's policy is not to enter into any hedging transactions to mitigate currency risk.

Concentration of foreign currency exposure

The tables below sets out the Funds' exposure to foreign currency exchange rates of the monetary assets and liabilities. Assets denominated in currencies other than Barbados dollars are principally cash and investments. All other assets and liabilities are primarily denominated in Barbados dollars.

Sagicor Funds Incorporated hold only assets and liabilities denominated in BDS.

Sagicor Global Balanced Fund

	Balances denominated in						
	Barbados $	Jamaica $	Trinidad $	EC $	US $	Other currencies $	Total $
As of September 30, 2015							
Assets	24,526,584	-	2,307,716	1,031,139	29,610,577	3,676,017	61,152,033
Liabilties	(428,491)	-	-	-	-	-	(428,491)
Net assets	24,098,093	-	2,307,716	1,031,139	29,610,577	3,676,017	60,723,542
As of September 30, 2014							
Assets	26,665,904	73,692	2,341,849	423,347	31,144,509	4,110,802	64,760,103
Liabilities	(388,169)	-	-	-	-	-	(388,169)
Net assets	26,277,735	73,692	2,341,849	423,347	31,144,509	4,110,802	64,371,934

7. FINANCIAL RISK (continued)

7.4 Foreign exchange risk (continued)

Sagicor Preferred Income Fund

	Balances denominated in						
	Barbados $	Jamaica $	Trinidad $	EC $	US $	Other currencies $	Total $
As of September 30, 2015							
Assets	17,763,106	-	-	86,279	12,085,169	266,424	30,200,978
Liabilities	(44,632)	-	-	-	-	-	(44,632)
Net assets	17,718,474	-	-	86,279	12,085,169	266,424	30,156,346
As of September 30, 2014							
Assets	17,346,864	-	-	142,648	11,335,682	283,462	29,108,656
Liabilities	(58,855)	-	-	-	-	-	(58,855)
Net assets	17,288,009	-	-	142,648	11,335,682	283,462	29,049,801

Sagicor Select Growth Fund

	Balances denominated in						
	Barbados $	Jamaica $	Trinidad $	EC $	US $	Other currencies $	Total $
As of September 30, 2015							
Assets	7,131,588	-	3,149,834	-	19,789,088	-	30,070,510
Liabilities	(70,900)	-	-	-	-	-	(70,900)
Net assets	7,060,688	-	3,149,834	-	19,789,088	-	29,999,610
As of September 30, 2014							
Assets	7,263,232	-	3,309,990	-	21,919,736	-	32,492,958
Liabilities	(100,464)	-	-	-	-	-	(100,464)
Net assets	7,162,768	-	3,309,990	-	21,919,736	-	32,392,494

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7. FINANCIAL RISK (continued)

7.4 Foreign exchange risk (continued)

Sensitivity

The Funds are exposed to currency risk in respect of financial investments denominated in currencies - other than the US dollar to which the Barbados dollar is fixed and the EC dollar which is also fixed to the US dollar - whose values may fluctuate against the Barbados dollar. The effects of a 5% depreciation in these currencies relative to the Barbados dollar arising from financial investments in those currencies as of September 30, 2015 are considered in the following table.

As of September 30, 2015	Jamaica	Trinidad	Other
	$	$	$
Sagicor Global Balanced Fund	-	2,307,716	3,676,017
Effect of 5% depreciation in value	-	(115,386)	(183,801)
Sagicor Preferred Income Fund	-	-	266,424
Effect of 5% depreciation in value	-	-	(13,321)
Sagicor Select Growth Fund	-	3,149,834	-
Effect of 5% depreciation in value	-	(157,492)	-
As of September 30, 2014			
Sagicor Global Balanced Fund	73,692	2,341,849	4,110,802
Effect of 5% depreciation in value	(3,685)	(117,092)	(205,540)
Sagicor Preferred Income Fund	-	-	283,462
Effect of 5% depreciation in value	-	-	(14,173)
Sagicor Select Growth Fund	-	3,309,990	-
Effect of 5% depreciation in value	-	(165,500)	-

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7. FINANCIAL RISK (continued)

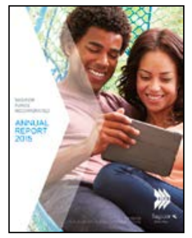
7.5 Other price risk

The Funds are exposed to other price risk arising from changes in equity prices. Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Funds' investments in equity securities. The Funds manage this risk by holding a diversified portfolio.

The Funds' overall market positions are monitored on a daily basis by the Fund Manager and are reviewed on a quarterly basis by the Board of Directors.

The effects of an across the board 5% decline in equity prices of the Funds' fair value through income equity securities, at statement of financial position date are set out below.

	2015		2014	
	Fair value	Effect of a 5% decline	Fair value	Effect of a 5% decline
	$	$	$	$
Sagicor Global Balanced Fund				
Equity securities:				
Local and regional equities	15,193,250	(759,663)	15,415,833	(770,792)
US market investments				
Quoted equities	18,266,395	(913,320)	19,911,282	(995,564)
Quoted managed mutual funds	4,045,409	(202,270)	5,168,103	(258,405)
Unquoted managed mutual funds	20,967	(1,048)	32,377	(1,619)
	37,526,021	(1,876,301)	40,527,595	(2,026,380)
Sagicor Preferred Income Fund				
Equity securities:				
Local and regional equities	492,000	(24,600)	473,250	(23,663)
Quoted managed mutual funds	-	-	1,666,841	(83,342)
	492,000	(24,600)	2,140,091	(107,005)



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7. FINANCIAL RISK (continued)

7.5 Other price risk (continued)

	2015		2014	
	Fair value	**Effect of a 5% decline**	**Fair value**	**Effect of a 5% decline**
	$	**$**	**$**	**$**
Sagicor Select Growth Fund				
Equity securities:				
Local and regional equities	8,247,149	(412,357)	8,492,841	(424,642)
US market investments				
Quoted equities	14,487,611	(724,381)	15,923,462	(796,173)
Quoted managed mutual funds	2,478,724	(123,936)	2,871,345	(143,567)
Unquoted managed mutual funds	5,406	(270)	8,544	(427)
	25,218,890	(1,260,944)	27,296,192	(1,364,809)

The following table shows financial instruments recorded at fair value as at September 30, analyzed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);
- Those with inputs for the asset or liability that are not based on observable market data (observable inputs) (Level 3).

Sagicor Global Balanced Fund

	Level 1	Level 2	Level 3	Total
	$	$	$	$
As of September 30, 2015				
Fixed income securities	-	18,933,638	-	18,933,638
Equity investments	33,459,645	-	-	33,459,645
Managed mutual funds	969,085	3,076,324	20,967	4,066,376
	34,428,730	22,009,962	20,967	56,459,659
As of September 30, 2014				
Fixed income securities	-	17,874,909	-	17,874,909
Equity investments	35,327,115	-	-	35,327,115
Managed mutual funds	5,168,103	-	32,377	5,200,480
	40,495,218	17,874,909	32,377	58,402,504

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7. FINANCIAL RISK (continued)

7.5 Other price risk (continued)

Sagicor Preferred Income Fund

	Level 1	Level 2	Level 3	Total
	$	$	$	$
As of September 30, 2015				
Fixed income securities	-	23,468,202	-	23,468,202
Equity investments	492,000	-	-	492,000
Managed mutual funds	-	-	-	-
	492,000	23,468,202	-	23,960,202
As of September 30, 2014				
Fixed income securities	-	21,814,269	-	21,814,269
Equity investments	473,250	-	-	473,250
Managed mutual funds	1,666,841	-	-	1,666,841
	2,140,091	21,814,269	-	23,954,360

Sagicor Select Growth Fund

	Level 1	Level 2	Level 3	Total
As of September 30, 2015				
Fixed income securities	-	3,031,617	-	3,031,617
Equity investments	22,734,760	-	-	22,734,760
Managed mutual funds	597,592	1,881,132	5,406	2,484,130
	23,332,352	4,912,749	5,406	28,250,507
As of September 30, 2014				
Fixed income securities	-	1,159,295	-	1,159,295
Equity investments	24,416,303	-	-	24,416,303
Managed mutual funds	2,871,345	-	8,544	2,879,889
	27,287,648	1,159,295	8,544	28,455,487

Sagicor Funds Inc.

	Level 1	Level 2	Level 3	Total
As of September 30, 2015				
Fixed income securities	-	1,720,837	-	1,720,837
As of September 30, 2014				
Fixed income securities	-	1,713,714	-	1,713,714

Managed mutual funds that are traded are classified as Level 1 while those that are not traded are classified as Level 2 or 3.

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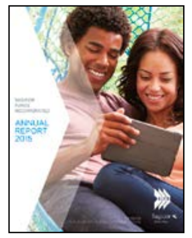

7. FINANCIAL RISK (continued)

7.5 Other price risk (continued)

When fair values of listed equity at the reporting date are based on quoted market prices, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

The Funds invests in corporate and government bonds. When these instruments are not measured at the quoted price in an active market they are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. To the extent that these inputs are observable, the Funds classify the fair value of these investments as Level 2.

The Fund invests in both quoted managed funds and managed funds which are not traded on an exchange. Investments in the unquoted funds are valued based on the net assets value (NAV) per share published by the administrator of those funds. Depending on the fair value level of a fund's underlying assets and liabilities and on the adjustments needed to the NAV per share published by that fund, the Fund classifies the fair value of that investment as either Level 2 or Level 3. Quoted funds are classified as Level 1.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorized within Level 3 between the beginning and end of the reporting period:

	SGBF	SPIF	SSGF
	$	$	$
As of September 30, 2013	4,121,687	1,637,604	2,845,514
Purchases	3,199	-	2,211
Net (losses)/gains	(68,909)	29,237	(26,203)
Disposals	(4,023,600)	(1,666,841)	(2,812,978)
As of September 30, 2014	32,377	-	8,544
Purchases	-	-	-
Net losses	(1,793)	-	(445)
Disposals	(9,617)	-	(2,693)
As of September 30, 2015	20,967	-	5,406

There were no transfers between categories during the period.

7.6 Fair value of financial instruments

The fair value of cash and cash equivalents, accounts receivable, amounts due from related parties, accounts payable and amounts due to related parties are not inconsistent with their carrying value because of the short maturity of these instruments. The liability in respect of the redeemable fund shares are carried at their fair value.

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8. ACCOUNTS PAYABLE

	2015	2014
	$	$
Sagicor Global Balanced Fund		
Redemptions payable	65,847	58,321
Subcriptions pending	30,882	59,695
	96,729	118,016
Sagicor Preferred Income Fund		
Redemptions payable	16,898	9,931
Subscriptions pending	40	6,295
	16,938	16,226
Sagicor Select Growth Fund		
Redemptions payable	614	4,537
Subscriptions pending	35,699	50,804
	36,313	55,341

9. REDEEMABLE MUTUAL FUND SHARES

Authorized

An unlimited number of redeemable shares of no par value in series:

Series A and AU -Sagicor Global Balanced Fund shares

Series B and BU -Sagicor Preferred Income Fund shares

Series C and CU -Sagicor Select Growth Fund shares

The holders of redeemable mutual fund shares have an interest in the undivided portion of the assets of the respective Fund. These shares secure an equal share in the distribution of the net income and net capital gains and participate equally in all other respects.

The holders of redeemable mutual fund shares are entitled to vote only in respect of:

- the liquidation of the Fund;
- an increase, if any, in the fees and charges to the Fund;
- any change in the nature or kind of investments in which the Fund may be invested, or modification of the investment objectives;
- proposals for the removal of the Manager or Custodian Trustee;
- the reconstruction of the Fund, and/or the amalgamation of Sagicor Funds Incorporated and/or the Fund with any other company or mutual fund;
- the winding up of Sagicor Funds Incorporated or
- the amendment of any provision in the Articles appertaining to the Funds and By-law No. 2 of Sagicor Funds Incorporated.

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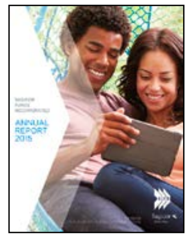

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9. REDEEMABLE MUTUAL FUND SHARES (continued)

Capital management

As a result of the ability to issue, repurchase and resell shares, the capital of the Funds can vary depending on the demand for redemptions and subscriptions to the Funds. The Funds are not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable shares.

The Funds' objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus.
- To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivative and other advanced capital markets and by using various investment strategies and hedging techniques.
- To maintain sufficient liquidity to meet the expenses of the Funds, and to meet redemption requests as they arise.

To maintain sufficient size to make the operations of the Funds cost-efficient.

10. COMMON SHARES

Authorized:

Sagicor Funds Incorporated is authorized to issue 1,000,000 common shares of no par value.

	2015	2014
	$	$
Issued:		
(2014 – 1,000,000) common shares	1,000,000	1,000,000

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11. INVESTMENT INCOME

The Funds manage their financial investments by the type of financial instrument (i.e. debt securities, equity securities, deposits, etc) and the income there-from is presented accordingly.

(a) Interest income

	2015	2014
	$	$
Sagicor Funds Incorporated		
Debt securities	91,460	91,460
Deposits	10,470	11,279
	101,930	102,739
Sagicor Global Balanced Fund		
Debt securities	1,118,511	1,115,069
Deposits	85,840	6,862
	1,204,351	1,121,931
Sagicor Preferred Income Fund		
Debt securities	1,452,772	1,598,953
Deposits	78,308	8,152
	1,531,080	1,607,105
Sagicor Select Growth Fund		
Debt securities	138,047	72,603
Deposits	8,030	7,169
	146,077	79,772

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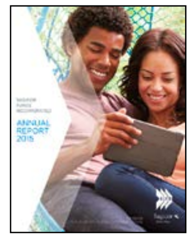

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11. INVESTMENT INCOME (continued)

(b) Net (losses)/gains on financial instruments

	2015 $	2014 $
Sagicor Funds Incorporated		
Debt securities	(2,435)	(4,687)
Sagicor Global Balanced Fund		
Debt securities	(64,686)	(119,336)
Equities	(2,780,573)	2,859,239
Foreign exchange losses	(3,862)	-
	(2,849,121)	2,739,903
Sagicor Preferred Income Fund		
Debt securities	264,011	(146,018)
Equities	37,755	52,487
	301,766	(93,531)
Sagicor Select Growth Fund		
Debt securities	9,714	21,655
Equities	(2,326,163)	1,923,469
	(2,316,449)	1,945,124

12. RELATED PARTY TRANSACTIONS

Material related party transactions

	2015 $	2014 $
Sagicor Global Balanced Fund		
Management fee	1,109,329	1,086,313
Custodian fee	158,476	155,188
Sagicor Preferred Income Fund		
Management fee	221,086	218,649
Custodian fee	73,695	72,883
Sagicor Select Growth Fund		
Management fee	240,829	229,735
Custodian fee	80,276	76,578

13. TAXATION

The Funds are licensed as authorized mutual funds under the Mutual Funds Act, 2002-22 of Barbados. As a result, the Funds were not subject to corporation tax on income derived from their investing activities as all income arising in the year was designated to be income of the redeemable participating shareholders.

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Sagicor

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