

Risks to the downside continued to mount in the third quarter of 2019 with increasing uncertainties regarding trade, global growth and geopolitical tensions. Even though global central bank monetary policies remained accommodative global equity market advance was limited by the unresolved trade/tariff war. With Central banks appearing to have exhausted their monetary tools especially in Europe, market participants are now asking for fiscal stimulus to help avoid a global recession. The OECD revised its global growth forecast downward to 2.9% in 2019 and 3% in 2020. These figures represent the weakest annual growth rates since the global financial crisis in 2008. Oil prices surged in September after supply disruptions in Saudi Arabia but managed to stabilize by the end of quarter. The US Federal Reserve bank cut its lending rate for the second time since July to a range of 1.75% to 2.00%.

US equities advanced modestly during the quarter amid deepening uncertainty with both the Dow Jones Industrial Average and the S&P 500 Indices advancing 1.8% and 1.9% respectively. Emerging market equities underperformed relative to US equities. The MSCI EM Index returned -4.3% for the quarter and 5.9% over the year-to-date period. Trade tensions and a strong US Dollar had a larger negative impact on emerging markets than developed markets. Regionally, equity indices mostly underperformed relative to their international peers with the Trinidad, Barbados and Eastern Caribbean exchanges returning 0.5%, -0.4% and -0.2%, respectively. The Jamaica stock exchange continued to outperform returning 10.3%.

The yield of the 10-year US Treasury fell from 2.00% at the beginning of July 2019 and ended the third quarter at 1.67%. Market participant risk aversion, weakening global economic data and synchronized monetary easing by major central banks supported this year's bond rally.

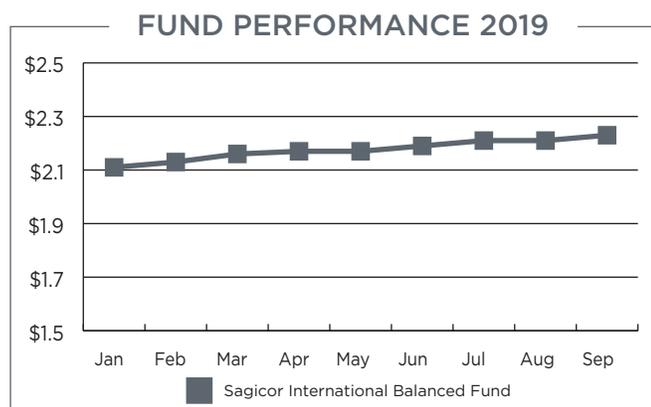
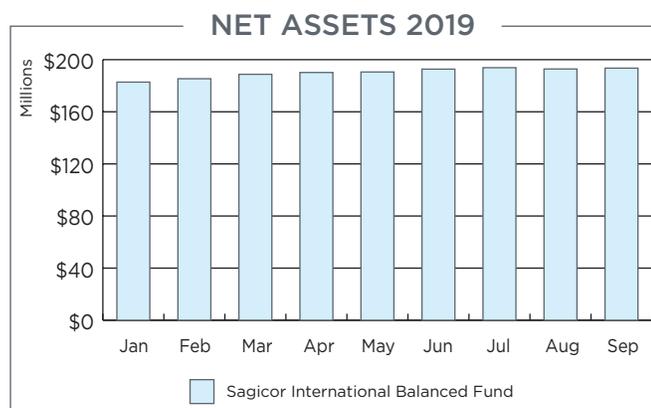
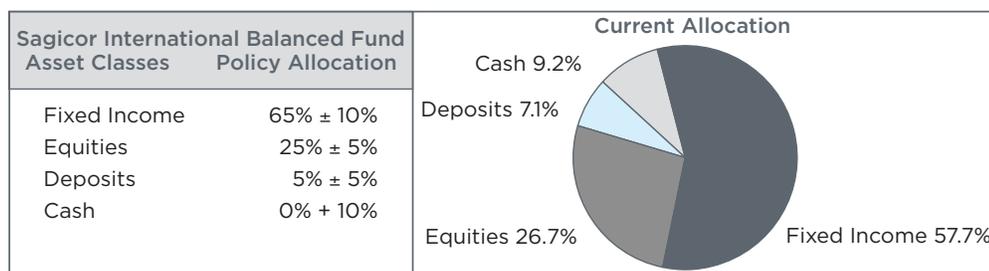
"Barbados continues to make good progress in implementing its ambitious and comprehensive economic reform program". That was the statement made by the

IMF after concluding its visit to the island September 6, 2019. Barbados and a committee of bondholders reached an agreement in principle on the restructuring of USD-denominated debt, according to a joint statement. Investor sentiment is expected to improve further given the removal of the uncertainty surrounding external creditors.

Continued growth is expected throughout the region amid a volatile environment which includes increased geopolitical risks in the middle east, ongoing trade tensions between the US and China and the BREXIT saga all of which are likely to impact the Caribbean. However, UK and European Union officials have said a new BREXIT deal has been agreed which will hopefully remove one of the main pillars to uncertainty, positively impacting asset prices.

Against this backdrop the Sagicor International Balanced Fund achieved a 2019 year to date return of 6.9%, underpinned by rallying bond prices and unrealized gains from the equity segment of the Fund during the third quarter. The Fund's NAV increased to \$2.22 as at September 30, 2019 up from \$2.19 as at June 30, 2019, while net assets totaled \$193.5 million.

**Policy Asset Allocation
Sagcor International Balanced Fund**



FINANCIAL HIGHLIGHTS AS AT SEPTEMBER 30, 2019	
	SAGICOR INTERNATIONAL BALANCED FUND
Financial Investments	\$ 183,442,300.19
Total Assets	\$ 193,952,783.44
Total Liabilities	\$ 446,278.79
Net Assets	\$ 193,506,504.65
Net Investment Income/(Loss)	\$ 12,467,506.76
No. of Units Outstanding as at September 30, 2019	86,926,371
Net Asset Value per Unit as at September 30, 2019	\$ 2.23
Increase/(decrease) in Net Asset Value per Unit for year	6.85%