SAGICOR SIGMA GLOBAL FUNDS

AUDITED
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

Sagicor Investments

Sagicor Sigma Global Funds
Sigma Equity Portfolio
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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Equity Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Equity Portfolio set out on pages 1 to 34, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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 give a true and fair view *of* the financial position of Sagicor Sigma Global Funds – Sigma Equity Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting.

PricewaterhouseCoopers

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Equity Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Dividends	182,095	177,801
Foreign exchange gains	12,519	16,870
Interest	25,018	19,127
Gain on sale of investments	2,511	10,953
Unrealised appreciation in value of investments	2,028,470	49,220
Miscellaneous Income	9,336	-
	2,259,949	273,971
Expenses		
Advertising	10	505
Auditors' remuneration		
- current year	1,326	1,206
- prior year	715	602
Bank charges	20	15
Commission expense	-	276
Interest expense	-	1,101
Insurance	996	-
Irrecoverable general consumption tax	8,669	4,963
Legal and professional fees	-	-
Management fees to fund managers	48,996	34,138
Miscellaneous	850	44
Registrar fees	-	49
Trustee fees	1,213	962
	62,795	43,861
Net Surplus, being Total Comprehensive Income for the Year	2,197,154	230,110

Sagicor Sigma Global Funds

Sigma Equity Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	5,650	-
Securities purchased under agreements to resell	6	178,625	116,737
Financial assets at fair value through profit or loss	7	4,768,448	2,284,974
Receivables	8	10,428	-
Withholding tax recoverable		47,939	47,456
		5,011,090	2,449,167
Liabilities			
Bank overdraft	5	-	1,582
Payables	9	154,764	3,233
Withholding tax payable		1,319	-
Related parties	10	34,220	-
		190,303	4,815
		4,820,787	2,444,352
Represented by:			
Net assets attributable to unit holders		4,820,787	2,444,352
Net assets value per unit ($)	11	39.80	20.86

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Equity Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		2,279,542
Net surplus, being total comprehensive income for the year		230,110
Issues	14	522,714
Encashment	14	(588,014)
Balance at 31 December 2014		2,444,352
Net surplus, being total comprehensive income for the year		2,197,154
Issues	14	436,021
Encashment	14	(256,740)
Balance at 31 December 2015		4,820,787

Sagicor Sigma Global Funds

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Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		2,197,154	230,110
Adjustments for:			
Gain on sale of investments		(2,511)	(10,953)
Unrealised appreciation in value of investments		(2,028,470)	(49,220)
Foreign exchange gains		(12,519)	(16,870)
Amortisation of discount		(551)	(357)
Dividend income		(182,095)	(177,801)
Interest income		(24,467)	(18,770)
		(53,459)	(43,861)
Changes in operating assets and liabilities:			
Purchase of investments		(556,889)	(524,413)
Sale of investments		123,979	415,674
Withholding tax recoverable		836	1,726
Receivables		(10,428)	-
Related parties		34,220	-
Payables		151,531	721
		(310,210)	(150,153)
Dividend received		175,366	177,801
Interest received		22,616	17,867
Net cash (used in)/provided by operating activities		(112,228)	45,515
Cash Flows from Financing Activities			
Proceeds from sale of units	14	436,021	522,714
Encashment of units	14	(256,740)	(588,014)
Net cash provided/(used) in financing activities		179,281	(65,300)
Net increase/(decrease) in cash and cash equivalents		67,053	(19,785)
Exchange gains on cash and cash equivalents		2,067	6,321
Cash and cash equivalents at beginning of year		115,155	128,619
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	184,275	115,155

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Equity Portfolio – focuses mainly on investments in equities both locally and regionally. The portfolio is suited to investors with moderate to high risk tolerance.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds

Sigma Equity Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

(ii) Audit and Compliance Committee

The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(iii) The Treasury Division

The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including service fee. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for financial assets at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	138,774	137,008
Corporate	178,686	57,989
Cash and cash equivalents	184,275	116,737
Other assets	10,428	-
	512,163	311,734

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include bank overdraft, securities sold under agreements to repurchase, payables and amounts due to related parties. These were all contractually payable within one month.

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$	US$	Total	Jamaican$	US$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Financial Assets						
Cash at bank	5,650	-	5,650	-	-	-
Securities purchased under agreements to resell	165,370	13,255	178,625	51,877	64,860	116,737
Financial assets at fair value through profit or loss	4,415,463	352,985	4,768,448	2,070,507	214,467	2,284,974
Receivables	10,428	-	10,428	-	-	-
	4,596,911	366,240	4,963,151	2,122,384	279,327	2,401,711
Financial Liabilities						
Bank overdraft	-	-	-	1,582	-	1,582
Payables	154,764	-	154,764	3,233	-	3,233
Related parties	34,220	-	34,,220	-	-	-
	188,984	-	188,984	4,815	-	4,815
Net financial position	4,407,927	366,240	4,774,167	2,117,569	279,327	2,396,896

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: + 1%, -15%	3,662	2,793
2014: + 1%, -10%	(54,936)	(27,933)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash at bank	5,650	-	-	-	-	-	5,650
Securities purchased under agreements to resell	76,370	101,221	-	-	-	1,034	178,625
Financial assets at fair value through profit or loss	90,014	51,228	-	115,404	55,480	4,456,322	4,768,448
Receivables	-	-	-	-	-	10,428	10,428
Financial assets	172,034	152,449	-	115,404	55,480	4,467,784	4,963,151
Liabilities							
Payables	-	-	-		-	154,764	154,764
Related parties	-	-	-	-	-	34,220	34,220
Financial liabilities	-	-	-	-	-	188,984	188,984
Total interest repricing gap	172,034	152,449	-	115,404	55,480	4,278,800	4,774,167
Cumulative interest repricing gap	172,034	324,483	324,483	439,887	495,367	4,774,167	
As at 31 December 2014:							
Assets							
Securities purchased under agreements to resell	116,611	-	-	-	-	126	116,737
Financial assets at fair value through profit or loss	30,000	70,705	-	90,809	-	2,093,460	2,284,974
Financial assets	146,611	70,705	-	90,809	-	2,093,586	2,401,711
Liabilities							
Bank overdraft	1,582	-	-		-	-	1,582
Payables	-	-	-		-	3,233	3,233
Financial liabilities	1,582	-	-	-	-	3,233	4,815
Total interest repricing gap	145,029	70,705	-	90,809	-	2,090,353	2,396,896
Cumulative interest repricing gap	145,029	215,734	215,734	306,543	306,543	2,396,896	

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3. **Financial Risk Management (Continued)**

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	3,968	(90)
J$ +250, US$ +200 (2014 - J$ +250, US$ +200)	(14,519)	(718)

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of a 10% (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
10% (2014 – 10%) increase	444,094	198,845
10% (2014 – 10%) decrease	(444,094)	(198,845)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund Managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

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4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made the following significant estimate on the amounts recognised in the financial statements:

(i) Unquoted equity investments

The valuation of the unquoted equities involves some degree of estimation. If the valuation was 10% (2014 - 10%) higher or lower, the fair value would be adjusted to $2,986 (2014 - $3,031). An impairment charge was recognised in for these funds in respect of these unquoted equity investments.

5. Cash and Cash Equivalents

Cash and cash equivalents are comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	178,625	116,737
Cash at bank	5,650	-
Bank overdraft	-	(1,582)
	184,275	115,155

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6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	177,591	116,611
Interest receivable	1,034	126
	178,625	116,737

As at 31 December 2015, the Fund held J$164,370,000 and US$110,100 (2014 - J$51,800,000 and US$567,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Government of Jamaica securities -		
Fixed rate benchmark notes	55,480	19,994
Variable rate benchmark notes	81,228	80,711
Corporate	78,218	-
Credit-linked notes	37,186	33,614
	252,112	134,319
Structured product	60,014	57,195
	312,126	191,514
Interest receivable	5,334	3,483
	317,460	194,997
Quoted preference shares	29,593	24,811
Quoted equities -		
(Cost – 2015 - J$2,486,324,000; US $1,060,000; 2014 - J$2,068,911,000; US$1,062,000)	4,411,348	1,963,585
Unquoted equities	3,318	3,368
Dividend receivable	6,729	-
Unit trust	-	98,213
	4,768,448	2,284,974

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7. Financial Assets at Fair Value through Profit or Loss (Continued)

	2015 $'000	2014 $'000
Gains recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains	2,511	10,953
Unrealised gains	2,028,470	49,220
	2,030,981	60,173

Structured notes were held with Sagicor Investments Jamaica Limited, one of the fund manager. The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global portfolios.

Included in quoted equity are investments valued 2015 $488,026,100 (2014 - $105,646,000) that relates to Sagicor Real Estate X-Fund Limited and 2015 $236,946,400 (2014 - $121,485,000) that relates to investment in quoted investment in Sagicor Group Jamaica Limited.

8. Receivables

	2015 $'000	2014 $'000
Broker receivables	9,513	-
Customer settlement accounts	915	-
	10,428	-

9. Payables

	2015 $'000	2014 $'000
Accruals	6,858	3,187
Customer settlement accounts	147,906	46
	154,764	3,233

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10. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	13,583	7,218
Dividend income	10,894	5,267
	24,477	12,485

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	48,996	34,138
Trustee fees	1,213	962
	50,209	35,100

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000

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(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	5,650	(1,582)
Sagicor Investments Jamaica Limited	178,625	116,737
	184,275	115,155
(ii) Financial assets at fair value through profit or loss (Note 7)		
Structured notes -		
Sagicor Investments Jamaica Limited	60,014	57,195
Quoted equities -		
Sagicor Real Estate X Fund Limited	488,026	105,646
Sagicor Group Jamaica Limited	236,947	121,436
Investment in units in other Sagicor Sigma Global Funds Portfolios	-	98,213
	784,987	382,490
(iii) Payable to related parties -		
Sagicor Sigma Global Bond Portfolio	31,881	-
Sagicor Sigma Global Equity Portfolio	2,339	-
	34,220	-

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11. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	14,077	26,977
Encashment	(10,147)	(30,382)
Net encashment	3,930	(3,405)
At the beginning of the year	117,201	120,606
At the end of the year	121,131	117,201

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed for the year as follows:

	2015 $	2014 $
At the beginning of the year	20.86	18.90
Charge during the year, being – 90.84% (31 December 2014: -10.37%) of the NAV per unit at the beginning of the year	18.94	1.96
At the end of the year	39.80	20.86

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12. Statement of Deposited Property

	31 December 2015			31 December 2014		
	No. of Stock units	Carrying Value $'000	% of portfolio	No. of Stock units	Carrying Value $'000	% of portfolio
Investments						
Quoted equities:						
AMG Packaging & Paper Company Limited	847,629	6,018	0.12	847,629	1,610	0.07
Blue Power Group Limited	180,000	1,809	0.04	180,000	1,134	0.05
Berger Paints Limited	2,943,098	9,271	0.19	2,943,098	4,562	0.19
Cable and Wireless Jamaica Limited	30,000,000	42,000	0.87	30,000,000	13,500	0.55
Caribbean Cement Company Limited	2,329,787	44,732	0.93	1,000,000	2,410	0.10
Caribbean Producers Jamaica Limited	475,000	2,214	0.05	475,000	1,036	0.04
Cargo Hanglers Limited	4,000	148	0.00	4,000	64	0.00
Caribbean Flavours & Fragrance	737,460	5,973	0.12	-	-	-
Carreras Group Limited	6,497,294	396,010	8.21	6,485,000	239,621	9.83
Consolidated Bakeries (Jamaica) Limited (Purity Limited)	1,000,000	1,330	0.03	1,000,000	900	0.04
Dolphin Cove Limited	9,952,376	154,262	3.20	9,952,376	84,595	3.47
Desnoes & Geddes Limited	23,112,942	670,275	13.90	23,112,942	113,716	4.67
First Caribbean International Bank Limited	94,240	10,459	0.22	94,240	9,966	0.41
General Accident Insurance Company Jamaica Limited	4,801,700	9,843	0.20	550,000	853	0.03
The Gleaner Company Limited	10,000,000	14,900	0.31	12,754,222	11,479	0.47
GraceKennedy Limited	1,913,318	160,623	3.33	1,913,318	119,582	4.91
Guardian Holdings Limited	26,256	6,499	0.13	26,256	6,235	0.26
Hardware and Lumber Limited	1,500,000	20,250	0.42	1,500,000	11,265	0.46
Honey Bun Limited	171,114	1,046	0.02	171,114	293	0.01
Jamaica Broilers Group Limited	20,266,902	222,936	4.62	20,000,000	81,800	3.36
Jamaica Money Market Brokers Limited	9,490,667	97,659	2.03	9,490,667	67,384	2.77
Jamaica Producers Group Limited	3,000,000	84,030	1.74	3,000,000	52,500	2.15
Jamaica Teas Limited	250,000	1,140	0.02	250,000	650	0.03
Jamaica Stock Exchange	5,864,920	109,088	2.26	5,864,920	3,226	0.13
K.L.E Group Limited	1,000,000	1,600	0.03	1,000,000	1,000	0.04
Kingston Wharves Limited	357,790	4,061	0.08	357,790	2,147	0.09
Knutsford Express Services	1,000,000	10,600	0.23	-	-	-
Balance carried forward	**137,816,493**	**2,088,776**	**43.30**	**132,972,572**	**831,528**	**34.13**

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12. Statement of Deposited Property (Continued)

	31 December 2015			31 December 2014		
	No. of Stock units	Carrying Value $'000	% of portfolio	No. of Stock units	Carrying Value $'000	% of portfolio
Investments (continued)						
Quoted equities (continued):						
Balance brought forward	**137,816,493**	**2,088,776**	**43.30**	**132,972,572**	**831,528**	**34.13**
Lasco Distributors Limited	4,505,000	24,642	0.51	4,505,000	6,397	0.26
Lasco Manufacturing Limited	4,505,000	15,993	0.33	4,505,000	5,046	0.21
Lasco Financial Services Limited	2,411,210	9,524	0.20	2,411,210	2,363	0.10
National Commercial Bank Jamaica Limited	17,300,700	692,028	14.35	16,000,200	307,204	12.60
Pan Jamaican Investment Trust Limited	1,815,597	170,666	3.54	1,778,797	104,878	4.30
Palace Amusement Company Limited	4,529	449	0.01	4,529	299	0.01
Radio Jamaica Limited	1,000,000	3,660	0.08	1,000,000	1,250	0.05
Royal Bank of Canada	16,320	104,936	2.18	16,320	121,494	4.99
138 Student Living Jamaica Limited	30,157,154	135,707	2.81	12,500,000	50,000	2.05
Sagicor Real Estate X Fund Limited	45,824,049	488,026	10.12	14,837,991	105,646	4.34
Sagicor Group Jamaica Limited	11,847,323	236,947	4.91	11,847,323	121,436	4.98
Scotia Group Jamaica Limited	9,500,000	289,750	6.01	9,500,000	194,655	7.99
Scotia Investments Jamaica Limited	3,263,448	86,482	1.80	3,263,448	75,058	3.08
Seprod Group Limited	2,304,958	47,390	0.98	2,304,958	29,388	1.21
Supreme Ventures Limited	3,296,613	15,230	0.33	3,296,613	6,262	0.26
Trinidad Cement Limited	16,306	1,142	0.02	16,306	731	0.03
Total quoted equities	275,584,700	4,411,348	91.48	206,360,267	1,963,635	80.59
Unquoted equities:						
Ocho Rios Beach Limited	1,751	12,610	0.26	1,751	12,018	0.49
Dyoll Group Limited	194,614	2	0.00	194,614	51	0.00
Goodyear Jamaica Limited	439,074	1,431	0.03	439,074	1,431	0.06
Jamaica Livestock Association	275,808	157	0.00	275,808	157	0.01
Montego Freeport Limited	2,358,810	3,161	0.07	2,358,810	3,161	0.13
Total unquoted equities	3,270,057	17,361	0.36	3,270,057	16,818	0.69
Balance carried forward	**278,854,757**	**4,428,709**	**91.84**	**209,630,324**	**1,980,453**	**81.28**

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12. Statement of Deposited Property (Continued)

	31 December 2015			31 December 2014		
	No. of Stock units	Carrying Value	% of portfolio	No. of Stock units	Carrying Value	% of portfolio
		$'000			$'000	
Investments (continued)						
Balance brought forward	**278,854,757**	**4,428,709**	**91.84**	**209,630,324**	**1,980,453**	**81.28**
Unit trust	-	-	-	-	98,213	4.03
Preference shares – JPS 9.5%	24,661	29,593	0.61	24,661	24,811	1.02
Government of Jamaica notes - credit linked notes and Benchmark notes		252,112	5.23		134,319	5.51
Structured products		60,014	1.24		57,195	2.35
Securities purchased under resale agreements		177,591	3.68		116,611	4.79
		4,948,019	102.61		2,411,602	98.98
Less: Impairment on equities securities		(14,043)	(0.29)		(13,500)	(0.55)
		4,933,976	102.32		2,398,102	98.43
Dividend receivable		6,729	0.14		-	-
Interest receivable		6,368	0.13		3,609	0.15
Total Investments		4,947,073	102.59		2,401,711	98.58
Sundries						
Other assets less other liabilities		(126,286)	(2.59)		42,641	1.42
Total Deposited Property		4,820,787	100.00		2,444,352	100.00

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13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(a) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(b) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(c) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

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13. Fair Values of Financial Instruments (Continued)

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets: 2015				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	55,480	-	55,480
Variable rate benchmark notes	-	81,228	-	81,228
Credit-linked notes	-	37,186	-	37,186
Corporate bond	-	78,218	-	78,218
Structured product	-	-	60,014	60,014
Quoted preference shares	-	29,593	-	29,593
Quoted equities	2,992,494	1,318,558	100,296	4,411,348
Unquoted equities	-	-	3,318	3,318
	2,992,494	1,600,263	163,628	4,756,385

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13. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial Assets: 2014				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	19,994	-	19,994
Variable rate benchmark notes	-	80,711	-	80,711
Credit-linked notes	-	33,614	-	33,614
Structured product	-	-	57,195	57,195
Quoted preference shares	-	24,811	-	24,811
Quoted equities	1,674,083	226,843	62,659	1,963,585
Unquoted equities	-	-	3,368	3,368
Unit trust	-	98,213	-	98,213
	1,674,083	484,186	123,222	2,281,491

Reconciliation of level 3 items –

	2015 $'000	2014 $'000
Balance at beginning of year	123,222	-
Transfers into level 3	67,618	22,785
Transfers to level 1	(11,556)	-
Transfers to level 2	(50,064)	-
Purchases	-	107,195
Sales	-	(1,850)
Total gains or (losses) – income or expenditure	34,408	(4,908)
Balance at end of year	163,628	123,222
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period.	34,408	(4,908)
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period.	34,408	(4,908)

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(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

In 2014, the fund transferred quoted equities from level 1 into level 2 and 3. This is because the even though the securities are quoted on a public stock exchange, their trading frequency is not active enough for it to be included in level 1.

Transfers from Level 1 to 2: Based on the frequency of trading around the valuation date (number and volume of trades) and the dispersion of traded (observable) pricing around the valuation date

Transfers from Level 1 to 3: Little to no trading activity is observable around the valuation date. Reliability of exchange pricing cannot be concluded upon with information available solely from the exchange.

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31 December	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2015						
Structured products	60,014	Discounted cash flows	Cost of capital	-	10%	6,001
Quoted shares	100,296	Last bid price	-	-	10%	10,030
Unquoted equities	3,318	Last bid price	-	-	10%	332
2014						
Structured products	57,195	Discounted cash flows	Cost of capital	-	10%	5,719
Quoted shares	62,659	Last bid price	-	-	10%	6,265
Unquoted equities	3,368	Last bid price	-	-	10%	337

Sagicor Sigma Global Fund

Sigma Equity Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	436,021	522,714
Less: Amount paid over to trustee	(436,021)	(522,714)
	-	-
Value of units cancelled by clients	(256,740)	(588,014)
Amount paid by trustee	256,740	588,014
	-	-

15. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	178,625	-	178,625	116,737	-	116,737
Financial assets at fair value through profit or loss	4,597,564	170,884	4,768,448	2,113,454	171,520	2,284,974

Sagicor Sigma Global Fund
Sigma Bond Portfolio
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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Bond Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Bond Portfolio set out on pages 1 to 31, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

L.A. McKnight P.E. Williams A.K. Jain B.L. Scott B.J Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom D.D. Dodd G.K.Moore

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Bond Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015	2014
		$'000	$'000
Income			
Interest		551,490	541,673
Dividends		8,728	7,452
Foreign exchange gains		96,684	55,350
Gain on sale of investments		39,221	107,701
Unrealised appreciation/(depreciation) in value of investments		34,532	(19,952)
Miscellaneous income		29,505	-
		760,160	692,224
Expenses			
Advertising		29	1,629
Auditors' remuneration			
- current year		3,433	3,725
- prior year		-	2,152
Bank charges		20	16
Commission expense		9	-
Insurance		793	-
Irrecoverable general consumption tax		20,996	14,757
Management fees to fund managers		117,652	109,567
Miscellaneous		466	4
Registrar fees		-	232
Trustee fees		3,115	3,064
		146,513	135,146
Net Surplus, being Total Comprehensive Income for the Year		613,647	557,078

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	52,149	17,415
Securities purchased under agreements to resell	6	308,954	728,322
Financial assets at fair value through profit or loss	7	7,352,423	6,577,036
Withholding tax recoverable		313,302	299,528
Receivables	8	38,087	837
		8,064,915	7,623,138
Liabilities			
Payables	9	11,098	9,919
Withholding tax payable		17,227	-
Related parties	10	72,651	-
		100,976	9,919
		7,963,939	7,613,219
Represented by:			
Net assets attributable to unit holders		7,963,939	7,613,219
Net asset value per unit ($)	11	26.11	24.12

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		7,253,775
Net surplus, being total comprehensive income for the year		557,078
Issues	14	199,759
Encashment	14	(397,393)
Balance at 31 December 2014		7,613,219
Net surplus, being total comprehensive income for the year		613,647
Issues	14	70,109
Encashment	14	(333,036)
Balance at 31 December 2015		7,963,939

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015	2014
		$'000	$'000
Cash Flows from Operating Activities			
Net surplus for the year		613,647	557,078
Adjustments for:			
Gain on sale of investments		(39,221)	(107,701)
Unrealised (appreciation)/depreciation in value of investments		(34,532)	19,952
Amortisation of premium		14,525	1,295
Foreign exchange gains		(96,684)	(55,350)
Dividend income		(8,728)	(7,452)
Interest income		(566,015)	(542,968)
		(117,008)	(135,146)
Changes in operating assets and liabilities:			
Purchase of investments		(2,335,175)	(3,018,758)
Sale of investments		1,714,920	3,398,374
Withholding tax recoverable		(13,774)	19,257
Withholding tax payable		17,227	-
Receivables		(37,250)	(837)
Payables		1,179	2,046
Related parties		72,651	-
		(697,230)	264,936
Interest received		556,020	540,307
Dividend received		8,728	7,452
Net cash (used in)/provided by operating activities		(132,482)	812,695
Cash Flows from Financing Activities			
Proceeds from sale of units	14	70,109	199,759
Encashment of units	14	(333,036)	(397,393)
Net cash used in financing activities		(262,927)	(197,634)
Net (decrease)/increase in cash and cash equivalents		(395,409)	615,061
Exchange gains on cash and cash equivalents		10,775	13,600
Cash and cash equivalents at beginning of year		745,737	117,076
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	361,103	745,737

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Bond Portfolio – focuses mainly on investments in Government of Jamaica short term securities. The portfolio is suited to conservative investors. Returns are tied to GOJ bond benchmark.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee
The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division
The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including service fee agreements. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for financial assets at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	5,664,714	5,409,423
Corporate	1,288,749	411,660
Other sovereign debt	-	152,783
Cash and cash equivalents	361,103	745,737
Other assets	38,087	837
	7,352,653	6,720,440

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include bank overdraft, securities sold under agreements to repurchase, payables and related parties. These were all contractually payable within one month.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$	US$	Total	Jamaican$	US$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Financial Assets						
Cash at bank	52,149	-	52,149	17,415	-	17,415
Securities purchased under agreements to resell	129,577	179,377	308,954	467,420	260,902	728,322
Financial assets at fair value through profit or loss	4,821,662	2,530,761	7,352,423	5,516,087	1,060,949	6,577,036
Receivables	38,087	-	38,087	837	-	837
	5,041,475	2,710,138	7,751,613	6,001,759	1,321,851	7,323,610
Financial Liabilities						
Payables	11,098	-	11,098	9,919	-	9,919
Related parties	72,651	-	72,651	-	-	-
	83,749	-	83,749	9,919	-	9,919
Net financial position	4,957,726	2,710,138	7,667,864	5,991,840	1,321,851	7,313,691

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: + 1%, -15%	27,101	13,219
2014: + 1%, -10%	(406,521)	(132,185)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
As at 31 December 2015:							
Assets							
Cash at bank	52,149	-	-	-	-	-	52,149
Securities purchased under agreements to resell	103,055	204,977	-	-	-	922	308,954
Financial assets at fair value through profit or loss	1,082,423	1,602,488	23,673	634,077	3,492,524	517,238	7,352,423
Receivables	-	-	-	-	-	38,087	38,087
Financial assets	1,237,627	1,807,465	23,673	634,077	3,492,524	556,247	7,751,613
Liabilities							
Payables	-	-	-	-	-	11,098	11,098
Related parties	-	-	-	-	-	72,651	72,651
Financial liabilities	-	-	-	-	-	83,749	83,749
Total interest repricing gap	1,237,627	1,807,465	23,673	634,077	3,492,524	472,498	7,667,864
Cumulative interest repricing gap	1,237,627	3,045,092	3,068,765	3,702,842	7,195,366	7,667,864	
As at 31 December 2014:							
Assets							
Cash at bank	17,415	-	-	-	-	-	17,415
Securities purchased under agreements to resell	726,660	-	-	-	-	1,662	728,322
Financial assets at fair value through profit or loss	577,000	1,247,326	-	1,307,184	2,734,073	711,453	6,577,036
Receivables	-	-	-	-	-	837	837
Financial assets	1,321,075	1,247,326	-	1,307,184	2,734,073	713,952	7,323,610
Liabilities							
Payables	-	-	-	-	-	9,919	9,919
Financial liabilities	-	-	-	-	-	9,919	9,919
Total interest repricing gap	1,321,075	1,247,326	-	1,307,184	2,734,073	704,033	7,313,691
Cumulative interest repricing gap	1,321,075	2,568,401	2,568,401	3,875,585	6,609,658	7,313,691	

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	162,198	163,524
J$ +250, US$ +200 (2014 - J$ +250, US$ +200)	(425,773)	(383,891)

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of a 10% (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
10% (2014 – 10%) increase	6,511	5,459
10% (2014 – 10%) decrease	(6,511)	(5,459)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund Managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) **Key sources of estimation uncertainty**

In the process of applying the Fund's accounting policies, management has made the following significant estimate on the amounts recognised in the financial statements:

(i) Unquoted equity investments

The valuation of the unquoted equities involves some degree of estimation. If the valuation was 10% (2014 - 10%) higher or lower, the fair value would be adjusted to $53,158 (2014 - $50,660). These amounts were not deemed impaired as such no impairment charge was recognised in this fund in respect of these unquoted equity investments.

5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	308,954	728,322
Cash at bank	52,149	17,415
	361,103	745,737

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	308,032	726,660
Interest receivable	922	1,662
	308,954	728,322

As at 31 December 2015, the Fund held J$129,133,900 and US$ 1,490,400; (2014 - J$466,060,000 and US$2,281,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

7. Financial Assets at Fair Value through Profit or Loss

	2015	2014
	$'000	$'000
Government of Jamaica securities -		
Fixed rate benchmark notes	2,716,037	2,944,125
Variable rate benchmark notes	1,811,014	1,126,446
Global bonds	1,046,981	574,815
Indexed bonds	-	667,886
	5,574,032	5,313,272
Corporate bonds	1,261,153	404,348
Credit-linked notes	-	147,963
	6,835,185	5,865,583
Interest receivable	118,278	108,283
	6,953,463	5,973,866
Quoted preference shares Cost: 2015 - J$55,000,000; US$ (2014:J55,000,000)	65,105	54,585
Unquoted preference shares (Cost: 2015 - US$492,000; 2014: US$492,000)	59,064	56,289
Unit trust	274,791	492,296
	7,352,423	6,577,036

	2015 $'000	2014 $'000
(Losses)/gains recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains	39,221	107,701
Unrealised gains/(losses)	34,532	(19,952)
	73,753	87,749

Credit linked notes were held with Sagicor Investments Jamaica Limited, one of the fund managers. Included in corporate bonds are investments valued 2015 $229,658,000 (2014 - $Nil) that relate Amortising Note that was issued by X Fund Properties Limited.

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global portfolios.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

8. Receivables

	2015 $'000	2014 $'000
Broker accounts	19,160	-
Customer settlement accounts	18,927	837
	38,087	837

9. Payables

	2015 $'000	2014 $'000
Accruals	11,098	9,815
Customer settlement accounts	-	104
	11,098	9,919

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

10. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	30,670	20,572

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	117,652	109,567
Trustee fees	3,115	3,064
	120,767	112,631

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

10. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	52,149	17,415
Sagicor Investments Jamaica Limited	308,954	728,322
	361,103	745,737
(ii) Financial assets at fair value through profit or loss (Note 7)		
Corporate bonds		
X Fund Properties Limited	229,658	-
Credit-linked notes -		
Sagicor Investments Jamaica Limited	-	147,963
Investment in units in other Sagicor Sigma Global Funds Portfolios	274,791	492,296
	504,449	640,259
(iii) Due to related parties -		
Sagicor Sigma Global Equity Portfolio	72,651	-
	72,651	-

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

11. Asset Value per Unit

(a) Number of units in issue

	2015 No. '000	2014 No. '000
Issues	2,798	8,519
Encashment	(13,416)	(17,230)
Net issue	(10,618)	(8,711)
At the beginning of the year	315,653	324,364
At the end of the year	305,035	315,653

(b) The net asset value ("NAV") per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	24.12	22.36
Increase during the year, being 8.25% (31 December 2014 – 7.87%) of the NAV per unit at the beginning of the year	1.99	1.76
At the end of the year	26.11	24.12

Sagicor Sigma Global Funds

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

12. Statement of Deposited Property

	31 December 2015		31 December 2014	
	Carrying Value	% of the portfolio	Carrying Value	% of the portfolio
	$'000		$'000	
Investments				
Securities purchased under agreements to resell	308,032	3.87	726,660	9.54
Interest receivable	922	0.01	1,662	0.02
	308,954	3.88	728,322	9.56
Government of Jamaica securities -				
Benchmark notes	4,527,051	56.84	4,070,571	53.47
Global bonds	1,046,981	13.15	574,815	7.55
Indexed bonds	-		667,886	8.77
	5,574,032	69.99	5,313,272	69.79
Corporate bonds	1,261,153	15.84	404,348	5.31
Credit-linked notes	-	-	147,963	1.94
Quoted preference shares	65,105	0.81	54,585	0.72
Unquoted preference shares	59,064	0.74	56,289	0.74
Unit trust	274,791	3.45	492,296	6.48
	7,234,145	90.83	6,468,753	84.98
Interest receivable	118,278	1.49	108,283	1.42
	7,352,423	92.32	6,577,036	86.40
Total Investments	7,661,377	96.20	7,305,358	95.96
Sundries				
Other assets less other liabilities	302,562	3.80	307,861	4.04
Total Deposited Property	7,963,939	100.00	7,613,219	100.00

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets : 2015				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	2,716,037	-	2,716,037
Variable rate benchmark notes	-	1,811,014	-	1,811,014
Global bonds	-	1,046,981	-	1,046,981
Corporate bonds	-	860,322	400,831	1,261,153
Quoted preference shares	-	65,105	-	65,105
Unquoted preference shares	-	-	59,064	59,064
Unit trust	-	274,791	-	274,791
	-	6,774,250	459,895	7,234,145
Financial Assets : 2014				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	2,944,125	-	2,944,125
Variable rate benchmark notes	-	1,126,446	-	1,126,446
Global bonds	-	574,815	-	574,815
Indexed bonds	-	667,886	-	667,886
Corporate bonds	-	404,348	-	404,348
Credit-linked notes	-	147,963	-	147,963
Unit trust	-	492,296	-	492,296
Quoted preference shares	-	54,585	-	54,585
Unquoted preference shares	-	-	56,289	56,289
	-	6,412,464	56,289	6,468,753

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

Reconciliation of level 3 items -

	2015 $'000	2014 $'000
Balance at beginning of year	56,289	52,183
Transfer into level 3	189,652	-
Purchases	229,658	-
Sales	(18,000)	-
Total gain – income or expenditure	2,296	4,106
Balance at end of year	459,895	56,289
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	2,296	4,106
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	2,296	4,106

There were no transfer between levels during the year.

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31 December	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2015						
Corporate bonds	400,831	Last bid price	-	-	10%	40,083
Unquoted shares	59,064	Last cost price	-	-	10%	5,906
2014						
Unquoted shares	56,289	Last cost price	-	-	10%	5,629

Sagicor Sigma Global Funds

Sigma Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	70,109	199,759
Less: Amount paid over to trustee	(70,109)	(199,759)
	-	-
Value of units cancelled by clients	(333,036)	(397,393)
Amount paid by trustee	333,036	397,393
	-	-

15. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	308,954	-	308,954	728,322	-	728,322
Financial assets at fair value through profit or loss	3,225,822	4,126,601	7,352,423	741,443	5,835,593	6,577,036

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Sigma Global Bond Portfolio
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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Global Bond Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Global Bond Portfolio set out on pages 1 to 30, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

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Opinion

In our opinion, the financial statements give a true and fair view *of* the financial position of Sagicor Sigma Global Funds – Sigma Global Bond Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Interest	826,848	345,903
Foreign exchange gains	836,047	259,351
Gain on sale of investments	186,766	11,899
Dividend income	2,233	-
Other income	771	-
Unrealised depreciation in value of investments	(879,803)	(28,433)
	972,862	588,720
Expenses		
Advertising	59	1,017
Auditors' remuneration		
- current year	3,086	847
- prior year	-	622
Bank charges	17	51
Commission expense	9	-
Irrecoverable general consumption tax	43,564	14,499
Insurance	1,583	-
Management fees to fund managers	243,445	88,093
Miscellaneous	23,586	456
Registrar fees	-	151
Trustee fees	6,485	2,773
	321,834	108,509
Net Surplus, being Total Comprehensive Income for the Year	651,028	480,211

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	6,598	820,898
Securities purchased under agreements to resell	6	190,595	1,238,920
Financial assets at fair value through profit or loss	7	15,305,517	13,048,037
Withholding tax recoverable		34,325	9,433
Receivables	8	322,017	42,002
Related parties	9	40,826	2,166
		15,899,878	15,161,456
Liability			
Bank overdraft		-	36,092
Payables	10	21,860	8,650
		21,860	44,872
		15,878,018	15,116,714
Represented by:			
Net assets attributable to unit holders		15,878,018	15,116,714
Net asset value per unit ($)	11	12.60	12.08

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		1,630,854
Net surplus, being total comprehensive income for the year		480,211
Issues	14	13,944,005
Encashment	14	(938,356)
Balance at 31 December 2014		15,116,714
Net surplus, being total comprehensive income for the year		651,028
Issues	14	992,330
Encashment	14	(882,054)
Balance at 31 December 2015		15,878,018

Sagicor Sigma Global Funds
Sigma Global Bond Portfolio
Statement of Cash Flows
Year ended 31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		651,028	480,211
Adjustments for:			
Gains on sale of investments		(186,766)	(11,899)
Unrealised depreciation in value of investments		879,803	28,433
Amortisation of premium		186,323	83,121
Foreign exchange gains		(836,047)	(259,351)
Dividend income		(2,233)	-
Interest income		(1,013,171)	(429,024)
		(321,063)	(108,509)
Changes in operating assets and liability:			
Purchase of investments		(14,232,787)	(22,849,725)
Sale of investments		11,966,399	11,240,434
Withholding tax recoverable		(24,892)	14,784
Receivables		(251,692)	(42,002)
Payables		13,210	7,170
Related parties		(38,660)	(2,166)
		(2,889,485)	(11,740,014)
Interest received		924,345	311,559
Dividend received		2,233	-
Net cash used in operating activities		(1,962,907)	(11,428,455)
Cash Flows from Financing Activities			
Proceeds from sale of units	14	992,330	13,944,005
Encashment of units	14	(882,054)	(938,356)
Net cash provided by financing activities		110,276	13,005,649
Net (decrease)/increase in cash and cash equivalents		(1,852,631)	1,577,194
Effects of exchange rate changes on cash and cash equivalents		26,098	66,975
Cash and cash equivalents at beginning of year		2,023,726	379,557
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	197,193	2,023,726

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(a) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(b) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(c) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Global Bond Portfolio – focuses mainly on investments in Government of Jamaica US dollar securities. The portfolio is suited to investors interested in hedging against depreciation of the Jamaican dollar.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

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

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services

Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as 10ollateralized financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee
The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

(ii) Audit and Compliance Committee
The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division
The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including service fee agreements. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

(b) Credit exposure

The following tables summarise the Fund's credit exposure for financial assets at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	8,463,429	7,412,823
Corporate	6,223,175	5,170,259
Other sovereign debt	458,908	132,721
Cash and cash equivalents	197,193	2,059,818
Other assets	362,843	44,168
	15,705,548	14,819,789

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(iv) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(v) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(vi) Optimising cash returns on investment.

Financial liabilities include bank overdraft, securities sold under agreements to repurchase, payables. These were all contractually payable within one month.

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments (continued)

	2015			2014		
	Jamaican$	US$	Total	Jamaican$	US$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Financial Assets						
Cash at bank	6,598	-	6,598	-	820,898	820,898
Securities purchased under agreements to resell	8,037	182,558	190,595	380,576	858,344	1,238,920
Financial assets at fair value through profit or	160,005	15,145,512	15,305,517	353,356	12,694,681	13,048,037
Receivables	322,017	-	322,017	42,002	-	42,002
Related parties	40,826	-	40,826	2,166	-	2,166
	537,483	15,328,070	15,865,553	778,100	14,373,923	15,152,023
Financial Liability						
Bank overdraft	-	-	-	35,615	477	36,092
Payables	21,860	-	21,860	7,738	-	7,738
	21,860	-	21,860	43,353	477	43,830
Net financial position	515,623	15,328,070	15,843,693	734,747	14,373,446	15,108,193

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: + 1%, -15%	153,281	143,734
2014: + 1%, -10%	(2,299,211)	(1,437,345)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash at bank	6,598	-	-	-	-	-	6,598
Securities purchased under agreements to resell	7,314	182,870	-	-	-	411	190,595
Financial assets at fair value through profit or loss	181,316	586,041	200,582	5,963,218	7,992,533	381,827	15,305,517
Receivables	-	-	-	-	-	322,017	322,017
Related parties	-	-	-	-	-	40,826	40,826
Financial assets	195,228	768,911	200,582	5,963,218	7,992,533	745,081	15,865,553
Liabilities							
Payables	-	-	-	-	-	21,860	21,860
Financial liabilities	-	-	-	-	-	21,860	21,860
Total interest repricing gap	195,228	768,911	200,582	5,963,218	7,992,533	723,221	15,843,693
Cumulative interest repricing gap	195,228	964,139	1,164,721	7,127,939	15,120,472	15,843,693	
As at 31 December 2014:							
Assets							
Cash at bank	820,898	-	-	-	-	-	820,898
Securities purchased under agreements to resell	1,236,913	-	-	-	-	2,007	1,238,920
Financial assets at fair value through profit or loss	-	2,269	1,091,192	5,123,332	6,365,996	465,248	13,048,037
Receivables	-	-	-	-	-	42,002	42,002
Related parties	-	-	-	-	-	2,166	2,166
Financial assets	2,057,811	2,269	1,091,192	5,123,332	6,365,996	511,423	15,152,023
Liabilities							
Bank Overdraft	36,092	-	-	-	-	-	36,092
Payables	-	-	-	-	-	7,738	7,738
Financial liabilities	36,092	-	-	-	-	7,738	44,830
Total interest repricing gap	2,021,719	2,269	1,091,192	5,123,332	6,365,996	503,685	15,108,193
Cumulative interest repricing gap	2,021,719	2,023,988	3,115,180	8,238,512	14,604,508	15,108,193	

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	413,037	347,267
J$ +250, US$ +200 (2014 - J$ +250, US$ +200)	(1,463,503)	(1,232,472)

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of a 10% (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
10% (2014 – 10%) increase	2,368	1,985
10% (2014 – 10%) decrease	(2,368)	(1,985)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund Managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(b) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(c) **Key sources of estimation uncertainty**

In the process of applying the Fund's accounting policies, management has made no significant estimate on the amounts recognised in the financial statements.

5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	190,595	1,238,920
Cash at bank	6,598	820,898
Bank overdraft	-	(36,092)
	197,193	2,023,726

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	190,184	1,236,913
Interest receivable	411	2,007
	190,595	1,238,920

As at 31 December 2015, the Fund held J$ 8,000,000 and US$ 1,517,800; (2014 - J$380,599,000 and US$7,504,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Government of Jamaica securities -		
Fixed rate benchmark notes	2,743,870	465,206
Global bonds	5,528,023	6,898,211
	8,271,893	7,363,417
Credit-linked notes	-	68,291
Sovereign debt	452,087	61,199
Indexed bonds	93,742	-
Structured product	-	2,269
Corporate bonds	6,105,968	5,087,631
	14,923,690	12,582,807
Interest receivable	221,822	132,996
	15,145,512	12,715,803
Quoted preference shares Cost - 2015- J$20,000,000 (2014 - J$20,000,000)	23,675	19,849
Unit trust	136,330	312,385
	15,305,517	13,048,037

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

7. Financial Assets at Fair Value through Profit or Loss (Continued)

	2015 $'000	2014 $'000
(Losses)/gains recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains	186,766	11,899
Unrealised losses	(879,803)	(28,433)
	(693,037)	(16,534)

Included in corporate bonds is an amount of $360,086,000 (2014 - $2,269,000) relating to a United States dollar Amortising Note that was issued by Sagicor Investments Jamaica Limited, one of the fund managers.

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global Funds portfolios.

8. Receivables

	2015 $'000	2014 $'000
Broker receivables	322,017	42,002
	322,017	42,002

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	51,634	24,044

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	243,445	88,093
Trustee fees	6,485	2,773
	249,930	90,866

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	6,598	784,806
Sagicor Investments Jamaica Limited	190,595	1,238,920
	197,193	2,023,726
(ii) Financial assets at fair value through profit or loss (Note 7)		
Corporate bonds -		
X Fund Properties Limited	360,086	2,269
Investment in units in other Sagicor Sigma Global Funds Portfolios	136,330	312,365
	496,416	314,634
(iii) Due from related parties -		
Sagicor Sigma Equity Portfolio	31,831	2,166
Sagicor Sigma Global Venture Portfolio	8,995	-
	40,826	2,166

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

10. Payables

	2015 $'000	2014 $'000
Accruals	10,163	7,738
Customer settlement account	11,697	-
General Consumption Tax	-	912
	21,860	8,650

11. Asset Value per Unit

(a) Number of units in issue

	2015 No. '000	2014 No. '000
Issues	80,180	1,177,735
Encashment	(70,527)	(79,324)
Net issue	9,653	1,098,411
At the beginning of the year	1,250,926	152,515
At the end of the year	1,260,579	1,250,926

(b) The net asset value ("NAV") per unit is computed by dividing the net deposited property (or capital), by the number of unit in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	12.08	10.69
Increase during the year, being – 4.30% (31 December 2014 – (13.0)%) of the NAV per unit at the beginning of the year	0.52	1.39
At the end of the year	12.60	12.08

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

12. Statement of Deposited Property

	31 December 2015		31 December 2014	
	Carrying Value $'000	% of portfolio	Carrying Value $'000	% of portfolio
Investments				
Securities purchased under agreements to resell	190,184	1.20	1,236,913	8.18
Interest receivable	411	0.00	2,007	0.01
	190,595	1.20	1,238,920	8.19
Government of Jamaica securities -				
Benchmark notes	2,743,870	17.28	465,206	3.08
Global bonds	5,528,023	34.82	6,898,211	45.63
	8,271,893	52.10	7,363,417	48.71
Corporate bonds	6,105,968	38.45	5,087,631	33.66
Credit-linked note	-	-	68,291	0.45
Indexed bonds	93,742	0.59	-	-
Structured products	-	-	2,269	0.02
Other sovereign debt	452,087	2.85	61,199	0.40
	14,923,690	93.99	12,582,807	83.24
Interest receivable	221,822	1.40	132,996	0.88
	15,145,512	95.39	12,715,803	84.12
Unit trust	136,330	0.86	312,385	2.07
Quoted preference shares	23,675	0.15	19,849	0.13
	160,005	1.01	332,234	2.20
	15,305,517	96.40	13,048,037	86.32
Total Investments	15,496,112	97.60	14,286,957	94.51
Sundries				
Other assets less other liabilities	381,906	2.4	829,757	5.49
Total Deposited Property	15,878,018	100.00	15,116,714	100.00

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets: 2015				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	2,743,870	-	2,743,870
Global bonds	-	5,528,022	-	5,528,022
Corporate bonds	-	5,730,327	469,384	6,199,711
Sovereign debt	-	452,087	-	452,087
Credit-linked notes	-	-	-	-
Quoted preference shares	-	23,675	-	23,675
Unit trust	-	136,330	-	136,330
	-	14,614,311	469,384	15,083,695

Financial Assets : 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	465,206	-	465,206
Global bonds	-	6,898,211	-	6,898,211
Corporate bonds	-	4,963,193	124,438	5,087,631
Structured product	-	-	2,269	2,269
Sovereign debt	-	61,199	-	61,199
Credit-linked notes	-	68,291	-	68,291
Quoted preference shares	-	19,849	-	19,849
Unit trust	-	312,385	-	312,385
	-	12,788,334	126,707	12,915,041

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

Reconciliation of level 3 items -

	2015 $'000	2014 $'000
Balance at beginning of year	126,707	20,842
Transfers in level 3	-	-
Total gains or (losses) – income or expenditure	21,841	(568)
Purchases	343,105	106,433
Sales	(22,269)	-
Balance at end of year	469,384	126,707
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	21,841	(568)
Change in unrealised gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	21,841	(568)

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31 December	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2015						
Corporate bonds	469,384	Last bid price	-	-	10%	46,938
2014						
Corporate bonds	124,438	Last bid price	-	-	10%	12,224
Structured products	2,269	Discounted cash flows	Cost of capital	-	10%	227

A sensitivity analysis for Level 3 positions was not presented in the prior year, as is was deemed that the impact of reasonable changes in inputs would not be significant.

Sagicor Sigma Global Funds

Sigma Global Bond Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	992,330	13,944,005
Less: Amount paid over to trustee	(992,330)	(13,944,005)
	-	-
Value of units cancelled by clients	(882,054)	(938,356)
Amount paid by trustee	882,054	938,356
	-	-

15. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	190,595	-	190,595	1,238,920	-	1,238,920
Financial assets at fair value through profit or loss	1,349,766	13,955,751	15,305,517	1,558,691	11,489,346	13,048,037

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Global Venture Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Global Venture Portfolio set out on pages 1 to 32, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

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L.A. McKnight P.E. Williams A.K. Jain B.L. Scott B.J Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom D.D. Dodd G.K.Moore

Opinion

In our opinion, the financial *statements* give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Global Venture Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

Income

	Note	2015	2014
Dividend income		6,627	8,266
Foreign exchange gains		14,765	30,503
Interest		14,341	5,658
Gain on sale of investments		18,975	57,076
Unrealised appreciation/(depreciation) in value of investments		233,621	(8,561)
Miscellaneous income		328	-
		288,657	92,942
Expenses			
Advertising		3	156
Auditors' remuneration			
- current year		198	306
- prior year		-	129
Bank charges		68	29
Commission expense		-	402
Insurance		118	-
Irrecoverable general consumption Tax		2,643	1,639
Management fees to fund managers		14,917	10,715
Miscellaneous		848	9
Registrar fees		-	29
Trustee fees		399	266
		19,194	13,680
Net Surplus, being Total Comprehensive Income for the Year		269,463	79,262

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	5,701	2,711
Securities purchased under agreements to resell	6	98,401	190,305
Financial assets at fair value through profit or loss	7	1,230,641	649,084
Withholding tax recoverable		12	12
Receivable	8	1,318	-
		1,336,073	842,112
Liabilities			
Payables	9	6,951	1,305
Related parties	10	8,995	2,166
		15,946	3,471
		1,320,127	838,641
Represented by:			
Net assets attributable to unit holders		1,320,127	838,641
Net asset value per unit ($)	11	2.16	1.67

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		610,472
Net surplus, being total comprehensive income for the year		79,262
Issues	14	176,175
Encashment	14	(27,268)
Balance at 31 December 2014		838,641
Net surplus, being total comprehensive income for the year		269,463
Issues	14	234,888
Encashment	14	(22,865)
Balance at 31 December 2015		1,320,127

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Statement of Cash Flows

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015	2014
		$'000	$'000
Cash Flows from Operating Activities			
Net surplus for the year		269,463	79,262
Adjustments for:			
Gain on sale of investments		(18,975)	(57,076)
Unrealised depreciation/(appreciation) in value of investments		(233,621)	8,561
Foreign exchange gains		(14,765)	(30,503)
Interest income		(14,341)	(5,658)
Dividend income		(6,627)	(8,266)
		(18,866)	(13,680)
Changes in operating assets and liability:			
Purchase of investments		(318,654)	(514,768)
Sale of investments		3,034	396,676
Withholding tax recoverable		-	(5)
Receivables		(1,318)	-
Payables		5,646	218
Related parties		6,829	2,166
		(323,329)	(129,393)
Interest received		11,239	5,658
Dividend received		6,627	8,266
Net cash used in operating activities		(305,463)	(115,469)
Cash Flows from Financing Activities			
Proceeds from sale of units	14	234,888	176,175
Encashment of units	14	(22,865)	(27,268)
Net cash provided by financing activities		212,023	148,907
Net (decrease)/increase in cash and cash equivalents		(93,440)	33,438
Exchange gains on cash and cash equivalents		4,526	7,931
Cash and cash equivalents at beginning of year		193,016	151,647
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	104,102	193,016

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Global Venture Portfolio - equity-focused portfolio invested in shares and quasi-equity structures. Shares may be private or public equity in companies local, regional and international. The portfolio is focused on emerging and high growth companies.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

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2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

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2. Summary of Significant Accounting Policies (Continued)

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

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3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee

The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division

The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including service fee agreements. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

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3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for financial assets at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Corporate	150,225	-
Cash and cash equivalents	104,102	193,016
Other assets	1,318	-
	255,645	193,016

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include bank overdraft, payables and related parties. These are all contractually payable within one month.

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3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December

	2015			2014		
	Jamaican$	**US$**	**Total**	**Jamaican$**	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
Financial Assets						
Cash at bank	5,701	-	5,701	2,711	-	2,711
Securities purchased under agreements to resell	89,656	8,745	98,401	20,754	169,551	190,305
Financial assets at fair value through profit or loss	629,182	601,459	1,230,641	347,238	301,846	649,084
Receivables	1,318	-	1,318	-	-	-
	725,857	610,204	1,336,061	370,703	471,397	842,100
Financial Liability						
Payables	6,951	-	6,951	1,305	-	1,305
Related parties	8,995	-	8,995	2,166	-	2,166
	15,946	-	15,946	3,471	-	3,471
Net financial position	709,911	610,204	1,320,115	367,232	471,397	838,629

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: +1 %, -15%	6,102	4,714
2014: + 1%, -10%	(91,531)	(47,140)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash at bank	5,701	-	-	-	-	-	5,701
Securities purchased under agreements to resell	64,035	33,350	-	-	-	1,016	98,401
Financial assets at fair value through profit or loss	-	-	-	147,123	-	1,083,518	1,230,641
Receivables	-	-	-	-	-	1,318	1,318
Financial assets	69,736	33,350	-	147,123	-	1,085,852	1,336,061
Liabilities							
Payables	-	-	-	-	-	8,995	8,995
Related parties	-	-	-	-	-	6,951	6,951
Financial liabilities	-	-	-	-	-	15,946	15,946
Total interest repricing gap	69,736	33,350	-	147,123	-	1,069,906	1,320,115
Cumulative interest repricing gap	69,736	103,086	103,086	250,209	250,209	1,320,115	

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2014:							
Assets							
Cash at bank	2,711	-	-	-	-	-	2,711
Securities purchased under agreements to resell	189,987	-	-	-	-	318	190,305
Financial assets at fair value through profit or loss	-	-	-	-	-	649,084	649,084
Financial assets	192,698	-	-	-	-	649,402	842,100
Liabilities							
Payables	-	-	-	-	-	1,305	1,305
Related parties	-	-	-	-	-	2,166	2,166
Financial liabilities						3,471	3,471
Total interest repricing gap	192,698	-	-	-	-	645,931	838,629
Cumulative interest repricing gap	192,698	192,698	192,698	192,698	192,698	838,629	

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	2,869	-
J$ +250, US$ +200 (2014 - J$ +250, US$ +200)	(10,757)	-

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of 10 % (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net income 2015 $'000	Effect on Net Income 2014 $'000
10% (2014 – 10%) increase	83,353	44,431
10% (2014 – 10%) decrease	(83,353)	(44,431)

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Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.
In order to maintain or adjust the capital structure, the Fund Managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made the following significant estimate on the amounts recognised in the financial statements:

(i) Unquoted equity investments

The valuation of the unquoted equities involves some degree of estimation. If the valuation was 10% (2014 - 10%) higher or lower, the fair value would be adjusted to $8,000 (2014 - $Nil). These amounts were no deemed impaired as such no impairment charge was recognised in for this fund in respect of these unquoted equity investments.

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5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	98,401	190,305
Cash at bank	5,701	2,711
	104,102	193,016

6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	97,385	189,987
Interest receivable	1,016	318
	98,401	190,305

As at 31 December 2015, the Fund held J$88,671,300 and US$72,600 (2014 - J$20,754,000 and US$1,482,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

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7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Corporate	147,123	-
Interest receivable	3,102	-
	150,225	-
Quoted equities (Cost - 2015: J$200,147,000; US$3,151,000; 2014 - J$168,038,000; US$2,252,000)	833,525	444,308
Unquoted equities (Cost – 2015: J$20,000,000; 2014 - $Nil)	20,000	2
Unquoted preference shares (Cost – 2015: J$13,600,000; 2014 – J$13,600,000)	13,600	13,600
Unit trust	213,291	191,174
	1,230,641	649,084

	2015 $'000	2014 $'000
Gains/(losses) recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains	18,975	57,076
Unrealised gains/(losses)	233,621	(8,561)
	252,596	48,515

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global Funds portfolios. Included in quoted equity are investments valued $11,000 that relates to Sagicor Real Estate X Fund Limited.

8. Receivables

	2015 $'000	2014 $'000
Broker account	1,318	-
	1,318	-

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Payables

	2015 $'000	2014 $'000
Accruals	1,951	1,300
Customer settlement accounts	5,000	5
	6,951	1,305

10. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	12,403	6,065

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	14,917	10,715
Trustee fees	399	266
	15,316	10,981

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

10. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	5,701	2,711
Sagicor Investments Jamaica Limited	98,401	190,305
	104,102	193,016
(ii) Financial assets at fair value through profit or loss (Note 7)		
Quoted equities -		
Sagicor Real Estate X Fund Limited	11	7
Investment in units in other Sagicor Sigma Global Funds Portfolios	213,291	191,174
	213,302	191,181
(iii) Due to related parties -		
Sigma Global Bond Portfolio	8,995	2,166
	8,995	2,166

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

11. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	120,844	110,060
Encashment	(12,537)	(17,248)
Net encashment	108,307	92,812
At the beginning of the year	502,796	409,984
At the end of the year	611,103	502,796

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.67	1.49
Increase during the year, being 29.34% (31 December 2014 – 12.08%)of the NAV per unit at the beginning of the year	0.49	0.18
At the end of the year	2.16	1.67

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

12. Statement of Deposited Property

	31 December 2015			31 December 2014		
	No. of Stock units/shares	Carrying Value '000	% of portfolio	No. of Stock units/shares	Carrying Value '000	% of portfolio
Quoted equities:						
Local quoted equities						
AMG Packaging & Paper Company Limited	1,915,428	13,600	1.03	1,915,428	3,639	0.43
CAC 2000	1,022	4,998	0.37	-	-	-
Caribbean Producers Jamaica Liimited	6,270,084	29,219	2.21	6,270,084	13,669	1.63
Dolphin Cove Limited	7,619,750	118,106	8.95	7,619,750	64,768	7.70
Desnoes & Geddes Limited	458,846	13,306	1.01	-	-	-
General Accident Insurance Company Limited	2,000,000	4,100	0.31	2,000,000	3,100	0.37
Jamaica Stock Exchange	3,109,956	57,845	4.38	2,109,956	1,160	0.14
K.L.E. Group Limited	2,309,710	3,695	0.28	2,309,710	2,310	0.27
Lasco Distributors Limited	22,082,600	120,792	9.15	21,537,000	30,583	3.64
Lasco Manufacturing Limited	7,544,196	26,782	2.03	6,475,930	7,253	0.86
Lasco Financial Services Limited	1,213,768	4,794	0.36	-	-	-
C2W Music Limited	2,502,000	951	0.07	2,502,000	976	0.12
Sweet River Abattoir & Supply Co. Limited	3,886,005	15,000	1.14	3,886,005	15,000	1.78
Sagicor Real Estate X Fund Limited	1,000	11	0.00	1,000	7	0.00
		413,199	31.29		142,465	18.56
Foreign currency quoted equities						
Proven Investments Limited	75,000	1,895	0.14	75,000	1,630	0.19
DB Commodity Index Tracking FD Unit	163	261	0.02	163	341	0.04
Ishares High Dividend Equity Fund	3,550	31,272	2.37	3,550	31,286	3.72
Margaritaville (Turks) Limited	920,000	11,043	0.84	920,000	10,524	1.25
Proshares TR Ulta Finl Pro	3,688	31,403	2.38	1,844	32,005	3.81
Proshares TR	1,653	21,079	1.60	1,653	18,979	2.26
Sector SPDR TR SHS Ben Int	7,988	50,825	3.85	7,988	52,129	6.20
Sector Sector SPDR TR Energy	117	724	0.05	117	742	0.09
Balance carried forward		148,502	11.25		147,636	17.56

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

12. Statement of Deposited Property (Continued)

	31 December 2015			31 December 2014		
	No. of Stock units/shares	Carrying Value '000	% of portfolio	No. of Stock units/shares	Carrying Value '000	% of portfolio
Balance brought forward		148,502	11.25		147,636	17.56
Sector Sector SPDR TR Energy	1,808	13,088	0.99	1,808	16,446	1.96
Sector Sector SPDR TR Materials	905	4,718	0.36	905	5,074	0.60
Sector Sector SPDR TR	20,020	138,236	10.47	20,020	127,212	15.12
Proshare Ultra Bloomberg Cr	36,923	55,575	4.21	-	-	-
Proshares Ultra DJ – AIG Crude Oil	-	-	-	4,791	5,475	0.65
Direxion 20+ Y TR Bear 3X	17,940	60,207	4.56	-	-	-
		420,326	31.84		301,843	35.89
Total quoted equities		833,525	63.13		444,308	54.45
Unquoted Preference shares:						
Jamrock Films (SL) Limited	102,000	12,005	0.91	102,000	11,441	1.36
CAC 2000 Limited	13,600	13,600	1.03	13,600	13,600	1.62
Unquoted Equities						
Ocho Rios Beach Limited	2,625	18,904	1.43	2,625	18,016	2.14
One-on-One Educational Services Limited	5,000,000	20,000	1.52	-	-	-
		898,034	68.02		487,365	57.95
Less: Impairment losses		(30,909)	(2.34)		(29,455)	(3.50)
		867,125	65.68		457,910	54.45
Unit trust		213,291	16.16		191,174	22.74
		1,080,416	81.84		649,084	77.19
Corporate bonds		147,123	11.14		-	-
Securities purchased under agreements to resell		97,385	7.38		189,987	22.60
		1,324,924	100.37		839,071	99.79
Interest receivable		4,118	0.31		318	0.04
Total Investments		1,329,042	100.68		839,389	100.00
Sundries						
Other assets less other liabilities		(8,915)	(0.68)		(748)	0.00
Total Deposited Property		1,320,127	100.00		838,641	100.00

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	$'000
Financial Assets: 2015				
Financial assets at fair value through profit or loss -				
Corporate bonds	-	-	147,123	147,123
Quoted equities	793,671	26,917	12,937	833,525
Unquoted equities	-	-	20,000	20,000
Unquoted preference share	-	-	13,600	13,600
Unit trust	-	213,291	-	213,291
	793,671	240,208	193,660	1,227,539
Financial Assets: 2014				
Financial assets at fair value through profit or loss -				
Quoted equities	191,174	79,597	27,834	298,605
Unquoted preference share	-	-	13,600	13,600
Unit trust	-	336,879	-	336,879
	191,174	416,476	41,434	649,084

Reconciliation of level 3 items -

	2015 $'000	2014 $'000
Balance at beginning of year	41,434	-
Transfers into level 3	1,630	2,310
Transfers into level 1	(30,910)	-
Total loss – income or expenditure	1,192	-
Purchases	180,314	39,124
Balance at end of year	193,660	41,434

In 2015, the fund transferred quoted equities from level 1 into level 2 and 3. This is because the even though the securities are quoted on a public stock exchange, their trading frequency is not active enough for it to be included in level 1.

Transfers from level 1 to 2: Based on the frequency of trading around the valuation date (number and volume of trades) and the dispersion of traded (observable) pricing around the valuation date

Transfers from level 1 to 3: Little to no trading activity is observable around the valuation date. Reliability of exchange pricing cannot be concluded upon with information available solely from the exchange.

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments (Continued)

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31 December 2015	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2015						
Corporate bonds	147,123	Last bid price	-	-	10%	14,712
Quoted equities	12,937	Last bid price	-	-	10%	1,294
Unquoted equities	20,000	Last cost price	-	-	10%	2,000
Unquoted preference shares	13,600	Last cost price	-	-	10%	1,360
2014						
Quoted equities	27,834	Last bid price	-	-	10%	2,783
Unquoted preference shares	13,600	Last cost price	-	-	10%	1,360

14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	234,888	176,175
Less: Amount paid over to trustee	(234,888)	(176,175)
	-	-
Value of units cancelled by clients	(22,865)	(27,268)
Amount paid by trustee	22,865	27,268
	-	-

Sagicor Sigma Global Funds

Sigma Global Venture Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

15. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current	Non-Current	Total	Current	Non-Current	Total
	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS						
Securities purchased under agreements to resell	98,401	-	98,401	190,305	-	190,305
Financial assets at fair value through profit or loss	1,083,518	147,123	1,230,641	649,084	-	649,084

Sagicor Sigma Global Funds

Sigma Global Corporate Portfolio

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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Global Corporate Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Global Corporate Portfolio set out on pages 1 to 31, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

L A McKnight P E Williams A K Jain B L Scott B J Denning G A Reece P A Williams R S Nathan C I Bell-Wisdom D D Dodd G K Moore

Opinion

In our opinion, the financial statements give a true and fair view *of* the financial position of Sagicor Sigma Global Funds – Sigma Global Corporate Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Global Corporate Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Dividend income	80	1,418
Interest	79,089	33,638
Other Income	3,532	-
Foreign exchange gains	41,133	37,257
Gain/(loss) on sale of investments	24,047	(5,100)
Unrealised (depreciation)/appreciation in value of investments	(103,457)	2,522
	44,424	69,735
Expenses		
Advertising	4	147
Auditors' remuneration		
- current year	362	302
- prior year	-	90
Bank charges	22	12
Commission expense	-	5
Insurance	220	-
Interest expense	455	-
Irrecoverable general consumption tax	3,252	1,438
Management fees to fund managers	18,135	10,107
Miscellaneous	2	4
Provision for investment loss	(396)	495
Registrar fees	-	13
Trustee fees	495	253
	22,551	12,866
Net Surplus, being Total Comprehensive Income for the Year	21,873	56,869

Sagicor Sigma Global Funds

Sigma Global Corporate Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	7,579	51,811
Securities purchased under agreements to resell	6	345,557	32,838
Financial assets at fair value through profit or loss	7	883,531	848,982
Receivables	8	4,018	113
		1,240,685	933,744
Liabilities			
Payables	9	1,390	45,413
Withholding tax payable		-	76
		1,390	45,489
		1,239,295	888,255
Represented by:			
Net assets attributable to unit holders		1,239,295	888,255
Net asset value per unit ($)	11	1.55	1.52

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Global Corporate Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance 31 December 2013		582,121
Net surplus, being total comprehensive income for the year		56,869
Issues	14	299,907
Encashment	14	(50,642)
Balance at 31 December 2014		888,255
Net surplus, being total comprehensive income for the year		21,873
Issues	14	468,393
Encashment	14	(139,226)
Balance at 31 December 2015		1,239,295

Sagicor Sigma Global Funds

Sigma Global Corporate Portfolio

Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		21,873	56,869
Adjustments for:			
(Loss)/gains on sale of investments		(24,047)	5,100
Unrealised (depreciation)/appreciation in value of investments		103,457	(2,522)
Amortisation of premium		5,551	5,734
Foreign exchange gains		(41,133)	(37,257)
Interest income		(84,640)	(39,372)
Dividend income		(80)	(1,418)
		(19,019)	(12,866)
Changes in operating assets and liabilities:			
Purchase of investments		(1,135,380)	(548,910)
Sale of investments		1,056,918	122,462
Receivables		(3,905)	(113)
Withholding tax recoverable		-	249
Withholding tax payable		(76)	76
Payables		(44,023)	44,930
		(145,485)	(394,172)
Interest received		84,218	32,263
Dividend received		80	1,418
Net cash used in operating activities		(61,187)	(360,491)
Cash Flows from Financing Activities			
Proceeds from sale of units	14	468,393	299,907
Encashment of units	14	(139,226)	(50,642)
Net cash provided by financing activities		329,167	249,265
Net increase/(decrease) in cash and cash equivalents		267,980	(111,226)
Exchange gains on cash and cash equivalents		508	739
Cash and cash equivalents at beginning of year		84,649	195,136
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	353,137	84,649

Sagicor Sigma Global Funds
Sigma Global Corporate Portfolio
Notes to the Financial Statements
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1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Global Corporate Portfolio focuses on investments in corporate debt securities and related securities. The portfolio focuses on debt issued by local, regional and international companies.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds
Sigma Global Corporate Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds
Sigma Global Corporate Portfolio
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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

Sagicor Sigma Global Funds
Sigma Global Corporate Portfolio
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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is 8ecognized as follows:

Dividend income
Dividend income is recognized when the right to receive payment is established.

Interest income
Interest income is recognized on a time-proportion basis using the effective interest method.

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2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition (continued)

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognized in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

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2. Summary of Significant Accounting Policies (Continued)

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

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2. Summary of Significant Accounting Policies (Continued)

(h) Impairment of assets
Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses
Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

(m) Redeemable units
The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

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3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee
The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

(ii) Audit and Compliance Committee
The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division
The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

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3. Financial Risk Management (Continued)

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, service fee agreements. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

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3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for investments at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	63,058	59,140
Other sovereign debt	56,328	92,378
Corporate	520,065	596,759
Cash and cash equivalents	353,136	38,649
Other assets	4,018	113
	996,605	787,039

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include bank overdraft, securities sold under agreements to repurchase and payables. These are all contractually payable within one month.

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3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)
(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$ J$'000	US$ J$'000	Total J$'000	Jamaican$ J$'000	US$ J$'000	Total J$'000
Financial Assets						
Cash at bank	7,579	-	7,579	51,811	-	51,811
Securities purchased under agreements to resell	329,443	16,114	345,557	27,250	5,588	32,838
Financial assets at fair value through profit or loss	3,826	879,705	883,531	106,690	742,292	848,982
Receivables	4,018	-	4,018	113	-	113
	344,866	895,819	1,240,685	185,864	747,880	933,744
Financial Liabilities						
Payables	1,390	-	1,390	45,413	-	45,413
	1,390	-	1,390	45,413	-	45,413
Net financial position	343,476	895,819	1,239,295	140,451	747,880	888,331

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3. Financial Risk Management (Continued)

(d) Market risk (continued)
(i) Currency risk (continued)

Foreign currency sensitivity
The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: +1 %, -15%	8,958	7,479
2014: + 1%, -10%	(134,373)	(78,788)

(ii) Cash flow and fair value Interest rate risk
Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash at bank	7,579	-	-	-	-	-	7,579
Securities purchased under agreements to resell	14,685	329,889	-	-	-	983	345,557
Financial assets at fair value through profit or loss	117,454	-	3,782	152,598	354,150	255,547	883,531
Receivables						4,018	4,018
Financial assets	139,718	329,889	3,782	152,598	354,150	260,548	1,240,685
Liabilities							
Payables	-	-	-	-	-	1,390	1,390
Financial liabilities	-	-	-	-	-	1,390	1,390
Total interest repricing gap	139,718	329,889	3,782	152,598	354,150	259,158	1,239,295
Cumulative interest repricing gap	139,718	469,607	473,389	625,987	980,137	1,239,295	
As at 31 December 2014:							
Assets							
Cash at bank	51,811	-	-	-	-	-	51,811
Securities purchased under agreements to resell	32,803	-	-	-	-	35	32,838
Financial assets at fair value through profit or loss	-	19,989	13,727	211,943	491,574	111,749	848,982
Receivables	-	-	-	-	-	113	113
Financial assets	84,614	19,989	13,727	211,943	491,574	111,897	933,744
Liabilities							
Payables	-	-	-	-	-	45,413	45,413
Financial liabilities	-	-	-	-	-	45,413	45,413
Total interest repricing gap	84,614	19,989	13,727	211,943	491,574	66,484	888,331
Cumulative interest repricing gap	84,614	104,603	124,330	336,273	821,847	888,331	

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3. Financial Risk Management (Continued)

(d) Market risk (continued)
(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	14,504	22,569
J$ +250, US$ +200 (2014 - J$ +250, US$ +200)	(51,164)	(78,911)

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of a 10% (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net Income 2015 $'000	Effect on Net income 2014 $'000
10% (2014 – 10%) increase	24,404	294
10% (2014 – 10%) decrease	(24,404)	(294)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.
In order to maintain or adjust the capital structure, the Fund Managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

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4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made no significant estimate on the amounts recognised in the financial statements:

5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	345,557	32,838
Cash at bank	7,579	51,811
	353,136	84,649

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6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	344,574	32,803
Interest receivable	983	35
	345,557	32,838

As at 31 December 2015, the Fund held J$328,518,800 and US$133,800 (2014 - J$27,250,000 and US$49,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

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7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Sovereign bonds	34,389	44,612
Credit-linked notes	-	45,527
Global bonds	82,208	57,767
Corporate bonds	511,387	589,326
	627,984	737,232
Interest receivable	11,467	11,045
	639,451	748,277
Quoted preference shares		
(Cost – 2015: US$25,700; 2014 - US$25,700)	3,012	2,940
Quoted equities		
(Cost - 2015: US$1,999,400 ; 2014 - $Nil)	241,028	-
Dividend receivable	40	-
	244,080	2,940
Unit trust	-	97,765
	883,531	848,982

	2015 $'000	2014 $'000
Gains/(losses) recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains/(losses)	24,047	(5,100)
Unrealised (losses)/gains	(103,457)	2,522
	(79,410)	(2,578)

The Unit trust investment included above relates to units acquired in one or more of the Sagicor Sigma Global Funds portfolios.

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8. Receivables

	2015 $'000	2014 $'000
Customer settlement accounts	4,018	113

9. Payables

	2015 $'000	2014 $'000
Accruals	1,390	877
Customer settlement accounts	-	44,536
	1,390	45,413

10. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	29,620	5,315

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10. Related Party Balances and Transactions (Continued)

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	18,135	10,107
Trustee fees	495	253
	18,630	10,360

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	7,579	51,811
Sagicor Investments Jamaica Limited	345,557	32,838
	353,136	84,649
(ii) Financial assets at fair value through profit or loss (Note 7)		
Investment in units in other Sagicor Sigma Global Funds Portfolios	-	97,765

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11. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	302,149	202,601
Encashment	(88,593)	(34,749)
Net encashment	213,556	167,852
At the beginning of the year	584,128	416,276
At the end of the year	797,684	584,128

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.52	1.40
Increase during the year, being 8.58% (31 December 2014 – 17.65%)of the NAV per unit at the beginning of the year	0.03	0.12
At the end of the year	1.55	1.52

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12. Statement of Deposited Property

	31 December 2015		31 December 2014	
	Carrying Value $'000	% of portfolio	Carrying Value $'000	% of portfolio
Investments				
Securities purchased under agreements to resell	344,574	27.80	32,803	3.70
Interest receivable	983	0.08	35	0.00
	345,557	27.88	32,838	3.70
Government of Jamaica global bonds	82,208	6.63	57,767	6.50
Sovereign debts	34,389	2.77	44,612	5.02
Credit-linked note	-	-	45,527	5.13
Corporate bonds	511,387	41.27	589,326	66.35
	627,983	50.67	737,232	83.00
Interest receivable	11,467	0.93	11,045	1.24
	639,451	51.60	748,277	84.24
Unit trust	-	-	97,765	11.01
Quoted preference shares	3,012	0.24	2,940	0.33
Quoted equities	241,028	19.45	-	-
Dividend receivable	40	0.00	-	-
	883,531	71.29	848,982	95.58
Total Investments	1,229,088	99.18	881,820	99.28
Sundries				
Other assets less other liabilities	10,207	0.82	6,435	0.72
Total Deposited Property	1,239,295	100.00	888,255	100.00

Sagicor Sigma Global Funds
Sigma Global Corporate Portfolio
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13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

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13. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets: 2015				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Global bonds	-	82,208	-	82,208
Corporate bonds	-	507,605	3,782	511,387
Sovereign debt	-	34,389	-	34,389
Quoted preference shares	3,012	-	-	3,012
Quoted equities	241,028	-	-	241,028
	244,040	624,202	3,782	872,024

Financial Assets : 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Global bonds	-	57,767	-	57,767
Sovereign bonds	-	90,139	-	90,139
Corporate bonds	-	589,326	-	589,326
Quoted preference equities	2,940	-	-	2,940
Unit trust	-	97,765	-	97,765
	2,940	834,997	-	383,937

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13. Fair Values of Financial Instruments (Continued)

Reconciliation of level 3 items -

	2015 $'000	2014 $'000
Balance at beginning of year	-	20,236
Transfer into level 3	8,922	
Total losses – income or expenditure	(138)	-
Sales	(5,000)	(20,236)
Balance at end of year	3,782	-
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(138)	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	(138)	-

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31 December	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2015						
Corporate bonds	3,782	Last cost price	-	-	10%	378
2014						
Promissory notes	20,236	Last cost price	-	-	10%	2,023

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14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	468,393	299,907
Less: Amount paid over to trustee	(468,393)	(299,907)
	-	-
Value of units cancelled by clients	(139,226)	(50,642)
Amount paid by trustee	139,226	50,642
	-	-

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	345,557	-	345,557	32,838	-	32,838
Financial assets at fair value through profit or loss	376,783	506,748	883,531	127,100	721,882	848,982

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Real Growth Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Real Growth Portfolio set out on pages 1 to 26, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

L A McKnight P E Williams A K Jain B L Scott B J Denning G A Reece P A Williams R S Nathan C I Bell-Wisdom D D Dodd G K Moore

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Real Growth Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Interest	52,167	16,641
Foreign exchange gains	817	805
Gain on sale of investments	-	2,831
Other Income	208	-
Unrealised appreciation in value of investments	33,346	50,255
	86,538	70,532
Expenses		
Advertising	5	110
Auditors' remuneration	218	71
Bank charges	15	20
Insurance	82	-
Irrecoverable general consumption tax	3,688	1,464
Management fees to fund managers	20,661	8,733
Registrar fees	-	13
Trustee fees	543	206
	25,212	10,617
Net Surplus, being Total Comprehensive Income for the Year	61,326	59,915

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	304	340
Securities purchased under agreements to resell	6	37,630	66,420
Financial assets at fair value through profit or loss	7	1,335,161	1,295,123
		1,373,095	1,361,883
Liabilities			
Payables	8	1,172	1,259
		1,172	1,259
		1,371,923	1,360,624
Represented by:			
Net assets attributable to unit holders		1,371,923	1,360,624
Net asset value per unit ($)	10	1.28	1.23

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Changes in Net Assets Attributable to Unit Holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		75,704
Net surplus, being total comprehensive income for the year		59,915
Issues	13	1,233,531
Encashment	13	(8,526)
Balance at 31 December 2014		1,360,624
Net surplus being total comprehensive income for the year		61,326
Issues	13	7,099
Encashment	13	(57,126)
Balance at 31 December 2015		1,371,923

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		61,326	59,915
Adjustments for:			
Loss of sale of investments		-	(2,831)
Foreign exchange gains		(817)	(805)
Unrealised appreciation in value of investments		(33,346)	(50,255)
Amortisation of premium		(1,155)	1
Interest income		(51,012)	(16,642)
		(25,004)	(10,617)
Changes in operating assets and liabilities:			
Withholding tax recoverable		-	315
Purchase of investments		-	(1,415,195)
Sale of investments		-	240,138
Payables		(87)	1,059
		(25,091)	(1,184,300)
Interest received		45,475	6,006
Net cash provided by/(used in) operating activities		20,384	(1,178,294)
Cash Flows from Financing Activities			
Proceeds from sale of units	13	7,099	1,233,531
Encashment of units	13	(57,126)	(8,526)
Net cash (used in)/provided by financing activities		(50,027)	1,225,005
Net (decrease)/increase in cash and cash equivalents		(29,643)	46,711
Exchange gains on cash and cash equivalents		817	805
Cash and cash equivalents at beginning of year		66,760	19,244
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	37,934	66,760

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Real Growth Portfolio- focuses mainly on inflation indexed Government of Jamaica securities. The portfolio is suited to investors that are risk-adverse with a long term horizon.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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Notes to the Financial Statements

31 December 2015

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2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 12.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee

The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division

The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, service fee agreements. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for investments at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	1,333,636	1,293,635
Cash and cash equivalents	37,934	66,760
	1,371,570	1,360,395

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include payables. These are all contractually payable within one month.

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Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$ J$'000	US$ J$'000	Total J$'000	Jamaican$ J$'000	US$ J$'000	Total J$'000
Financial Assets						
Cash at bank	304	-	304	340	-	340
Securities purchased under agreements to resell	37,630	-	37,630	8,480	57,940	66,420
Financial assets at fair value through profit or loss	1,335,161	-	1,335,161	1,295,123	-	1,295,123
	1,373,095	-	1,373,095	1,303,943	57,940	1,361,883
Financial Liabilities						
Payables	1,172	-	1,172	1,259	-	1,259
	1,172	-	1,172	1,259	-	1,259
Net financial position	1,371,923	-	1,371,923	1,302,684	57,940	1,360,624

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: +1 %, -15%	-	579
2014: + 1%, -10%	-	(5,794)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash and bank balances	304	-	-	-	-	-	304
Securities purchased under agreements to resell	31,488	6,000	-	-	-	142	37,630
Financial assets at fair value through profit or loss	-	1,318,375	-	-	-	16,786	1,335,161
Financial assets	31,792	1,324,375	-	-	-	16,928	1,373,095
Liabilities							
Payables	-	-	-	-	-	1,172	1,172
Financial liabilities	-	-	-	-	-	1,172	1,172
Total interest repricing gap	31,792	1,324,375	-	-	-	15,756	1,371,923
Cumulative interest repricing gap	31,792	1,356,167	1,356,167	1,356,167	1,356,167	1,371,923	
As at 31 December 2014:							
Assets							
Cash and bank balances	340	-	-	-	-	-	340
Securities purchased under agreements to resell	66,381	-	-	-	-	39	66,420
Financial assets at fair value through profit or loss	-	1,282,517	-	-	-	12,606	1,295,123
Financial assets	66,721	1,282,517	-	-	-	12,645	1,361,883
Liabilities							
Payables	-	-	-	-	-	1,259	1,259
Financial liabilities	-	-	-	-	-	1,259	1,259
Total interest repricing gap	66,721	1,282,517	-	-	-	11,386	1,360,624
Cumulative interest repricing gap	66,721	1,349,238	1,349,238	1,349,238	1,349,238	1,360,624	

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2015 - J$ -100, US$ -50)	(13,180)	(12,298)
J$ +250, US$ +200 (2015 - J$ +250, US$ +200)	32,950	30,744

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.
In order to maintain or adjust the capital structure, the Fund managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made no significant estimate on the amounts recognised in the financial statements.

5. Cash and Cash Equivalents

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	37,630	66,420
Cash at bank	304	340
	37,934	66,760

6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	37,488	66,381
Interest receivable	142	39
	37,630	66,420

As at 31 December 2015, the Fund held J$37,488,800 and US$ Nil (2014 - J$8,480,000 and US$507,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Government of Jamaica variable rate benchmark notes		-
Indexed bonds	1,318,376	1,282,517
Interest receivable	15,260	11,118
	1,333,636	1,293,635
Unit trust	1,525	1,488
	1,335,161	1,295,123

	2015 $'000	2014 $'000
Gains recognised in relation to financial assets at fair value through profit or loss comprise:		
Unrealised gains	-	2,831
Realised gains	33,346	50,255
	33,346	53,086

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global Funds portfolios.

8. Payables

	2015 $'000	2014 $'000
Accruals	1,172	945
Customer settlement accounts	-	314
	1,172	1,259

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	6,117	1,212

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	20,661	8,733
Trustee fees	543	206
	21,204	8,939

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	304	66,420
Sagicor Investments Jamaica Limited	37,630	340
	37,934	66,670
(ii) Financial assets at fair value through profit or loss (Note 7)		
Investment in units in other Sagicor Sigma Global Funds Portfolios	1,525	1,488

Sagicor Sigma Global Funds

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

10. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	5,764	1,049,014
Encashment	(46,084)	(7,301)
Net encashment	(40,320)	1,041,713
At the beginning of the year	1,108,862	67,149
At the end of the year	1,068,542	1,108,862

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.23	1.13
Increase during the year, being 4.07% (31 December 2014 – 8.85%)of the NAV per unit at the beginning of the year	0.05	0.10
At the end of the year	1.28	1.23

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

11. Statement of Deposited Property

	31 December 2015		31 December 2014	
	Carrying Value $'000	**% of portfolio**	**Carrying Value $'000**	**% of portfolio**
Investments				
Securities purchased under agreements to resell	37,488	2.73	66,381	4.88
Interest receivable	142	0.01	39	0.00
	37,630	2.74	66,420	4.88
Government of Jamaica securities -				
Indexed bonds	1,318,376	96.10	1,282,517	94.26
	1,318,376	96.10	1,282,517	94.26
Interest receivable	15,260	1.11	11,118	0.82
	1,333,636	97.21	1,293,635	95.08
Unit trust	1,525	0.11	1,488	0.11
	1,335,161	97.32	1,295,123	95.19
Total Investments	1,372,791	100.06	1,361,543	100.07
Sundries				
Other assets less other liabilities	(868)	(0.06)	(919)	(0.07)
Total Deposited Property	1,371,923	100.00	1,360,624	100.00

Sagicor Sigma Global Funds
Sigma Real Growth® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

12. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

12. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Indexed bonds	-	1,318,376	-	1,318,376
Unit trust	-	1,525	-	1,525
	-	1,319,901	-	1,319,901

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Indexed bonds	-	1,282,517	-	1,282,517
Unit trust	-	1,488	-	1,488
	-	1,284,005	-	1,284,005

Sagicor Sigma Global Funds

Sigma Real Growth® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	7,099	1,233,531
Less: Amount paid over to trustee	(7,099)	(1,233,531)
	-	-
Value of units cancelled by clients	(57,126)	(8,526)
Amount paid by trustee	57,126	8,526
	-	-

14. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	37,630	-	37,630	66,420	-	66,420
Financial assets at fair value through profit or loss	1,335,161	-	1,335,161	12,606	1,282,517	1,295,123

Sagicor Sigma Global Funds
Sigma Diversified Portfolio
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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Diversified Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Diversified Portfolio set out on pages 1 to 29, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

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L.A. McKnight P.E. Williams A.K. Jain B.L. Scott B.J.Denning G.A. Reece P.A. Williams R.S. Nathan C.I Bell-Wisdom D.D. Dodd G.K.Moore

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Diversified Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Diversified Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Interest	798	4,951
Foreign exchange gains	2	2,917
Gain on sale of investments	-	427
Other income	491	-
Unrealised appreciation in value of investments	916,384	171,817
	917,675	180,112
Expenses		
Advertising	11	438
Auditors' remuneration	708	63
Bank charges	13	10
Insurance	177	-
Irrecoverable general consumption tax	9,141	4,403
Management fees to fund managers	50,800	25,562
Miscellaneous	104	1
Registrar fees	-	46
Trustee fees	1,435	618
	62,389	31,141
Net Surplus, being Total Comprehensive Income for the Year	855,286	148,971

Sagicor Sigma Global Funds

Sigma Diversified Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank		1,685	-
Securities purchased under agreements to resell	6	14,622	3,413
Financial assets at fair value through profit or loss	7	4,278,265	2,792,386
Withholding tax recoverable		-	9
		4,294,572	2,795,808
Liabilities			
Payables	8	2,867	1,505
Bank overdraft		-	3,938
		2,867	5,443
		4,291,705	2,790,365
Represented by:			
Net assets attributable to unit holders		4,291,705	2,790,365
Net asset value per unit ($)	10	1.70	1.35

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Diversified Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		45,302
Net surplus, being total comprehensive income for the year		148,971
Issues	13	2,609,306
Encashment	13	(13,214)
Balance at 31 December 2014		2,790,365
Net surplus, being total comprehensive income for the year		855,286
Issues	13	654,134
Encashment	13	(8,080)
Balance at 31 December 2015		4,291,705

Sagicor Sigma Global Funds

Sigma Diversified Portfolio

Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		855,286	148,971
Adjustments for:			
Gain on sale of investments		-	(427)
Unrealised appreciation in value of investments		(916,384)	(171,817)
Foreign exchange gains		(2)	(2,917)
Interest income		(798)	(4,951)
		(61,898)	(31,141)
Changes in operating assets and liabilities:			
Purchase of investments		(612,960)	(2,742,424)
Sale of investments		44,263	163,638
Receivables		9	(9)
Payables		1,362	1,326
		(629,224)	(2,608,610)
Interest received		-	4,951
Net cash used in operating activities		(629,224)	(2,603,659)
Cash Flows from Financing Activities			
Proceeds from sale of units	13	654,134	2,609,306
Encashment of units	13	(8,080)	(13,214)
Net cash provided by financing activities		646,054	2,596,092
Net increase/(decrease) in cash and cash equivalents		16,830	(7,567)
Exchange gains on cash and cash equivalents		2	5
Cash and cash equivalents at beginning of year		(525)	7,037
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	16,307	(525)

Sagicor Sigma Global Funds

Sigma Diversified Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Diversified Portfolio - focuses on investments in a mixture of various Sigma portfolios. The portfolio is suited to risk-averse investors.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

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2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Sagicor Sigma Global Funds

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition (continued)

Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services

Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

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2. Summary of Significant Accounting Policies (Continued)

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 12.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

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2. Summary of Significant Accounting Policies (Continued)

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

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3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

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3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee

The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(ii) The Treasury Division

The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including rental and service fee agreements and amounts due from Aimbridge. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

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3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for investments at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Cash and cash equivalents	16,307	3,413
	16,307	3,413

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include bank overdraft and payables. These are all contractually payable within one month.

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3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$	**US$**	**Total**	**Jamaican$**	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
Financial Assets						
Cash at bank	1,685	-	1,685	-	-	-
Securities purchased under agreements to resell	14,622	-	14,622	3,277	136	3,413
Financial assets at fair value through profit or loss	4,278,265	-	4,278,265	2,792,386	-	2,792,386
Receivables	-	-	-	-	-	-
	4,294,572	-	4,294,572	2,795,663	136	2,795,799
Financial Liabilities						
Bank overdraft	-	-	-	3,938	-	3,938
Payables	2,867	-	2,867	1,505	-	1,505
	2,867	-	2,867	5,443	-	5.443
Net financial position	4,291,705	-	4,291,705	2,790,220	136	2,790,356

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Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: + 1%, -15%	-	1
2014: + 1%, -10%	-	(14)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash and cash equivalents	1,685	-	-	-	-	-	1,685
Securities purchased under agreements to resell	8,012	6,553	-	-	-	57	14,622
Financial assets at fair value through profit or loss	-	-	-	-	-	4,278,265	4,278,265
Financial assets	9,697	6,553	-	-	-	4,278,322	4,294,572
Liabilities							
Payables	-	-	-	-	-	2,867	2,867
Financial liabilities	-	-	-	-	-	2,867	2,867
Total interest repricing gap	9,697	6,553	-	-	-	4,275,455	4,291,705
Cumulative interest repricing gap	9,697	16,250	16,250	16,250	16,250	4,291,705	
As at 31 December 2014:							
Assets							
Securities purchased under agreements to resell	3,413	-	-	-	-	-	3,413
Financial assets at fair value through profit or loss	-	-	-	-	-	2,792,386	2,792,386
Financial assets	3,413	-	-	-	-	2,792,386	2,795,799
Liabilities							
Bank overdraft	3,938	-	-	-	-	-	3,938
Payables	-	-	-	-	-	1,505	1,505
Financial liabilities	3,938	-	-	-	-	1,505	5,443
Total interest repricing gap	(525)	-	-	-	-	2,790,881	2,790,356
Cumulative interest repricing gap	(525)	(525)	(525)	(525)	(525)	2,790,356	

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually. There was $Nil impact on the Fund's income or expenditure arising from interest rate sensitivity.

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of a10 % (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
10% (2014 – 10%) increase	9,779	5,158
10% (2014 – 10%) decrease	(9,779)	(5,158)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain or adjust the capital structure, the Fund managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

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4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made no significant estimate on the amounts recognised in the financial statements.

5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	14,622	3,413
Cash at bank	1,685	-
Bank overdraft	-	(3,938)
	16,307	(525)

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6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	14,565	3,413
Interest receivable	57	-
	14,622	3,413

As at 31 December 2015, the Fund held J$14,564,300 and US$ Nil (2014 - J$3,277,000 and US$1,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Unit trust	4,180,480	2,740,804
Quoted equities		
(Cost – 2015:J$52,386,000, 2014:J$39,426,000)	97,785	51,582
	4,278,265	2,792,386

	2015 $'000	2014 $'000
Gains recognised in relation to financial assets at fair value through profit or loss comprise:		
Unrealised gains	916,384	171,817
Realised gains	-	427
	916,384	172,244

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global Funds portfolios and the quoted equity investment relates to Sagicor Real Estate X Fund Limited.

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8. Payables

	2015 $'000	2014 $'000
Accruals	2,867	1,505

9. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	798	5,148
Dividend income	1,469	-
	2,267	5,148

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	50,800	25,562
Trustee fees	1,435	618
	52,235	26,180

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9. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	1,685	(3,938)
Sagicor Investments Jamaica Limited	14,622	3,413
	16,307	(525)
(ii) Financial assets at fair value through profit or loss (Note 7)		
Quoted equities -		
Sagicor Real Estate X Fund Limited	97,785	51,582
Investment in units in other Sagicor Sigma Global Funds Portfolios	4,180,480	2,740,804
	4,278,265	2,792,386

Sagicor Sigma Global Funds

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10. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	457,775	2,038,342
Encashment	(5,646)	(10,345)
Net encashment	452,129	2,027,997
At the beginning of the year	2,066,231	38,234
At the end of the year	2,518,360	2,066,231

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.35	1.18
Increase during the year, being 25.93% (31 December 2014 – 14.41%) of the NAV per unit at the beginning of the year	0.35	0.17
At the end of the year	1.70	1.35

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11. Statement of Deposited Property

		31 December 2015		31 December 2014	
	No. of Stock units/shares	Carrying Value $'000	% of portfolio	Carrying Value $'000	% of portfolio
Investments					
Securities purchased under agreements to resell		14,565	0.34	3,413	0.12
Interest receivables		57	0.00	-	0.00
		14,622	0.34	3,413	0.12
Unit trust		4,180,480	97.41	2,740,804	98.22
Quoted equities:					
Sagicor Real Estate X Fund Limited	9,181,756	97,785	2.28	51,582	1.85
		4,278,265	99.69	2,792,386	100.07
Total Investments		4,292,887	100.03	2,795,799	100.19
Sundries					
Other assets less other liabilities		(1,182)	(0.03)	(5,434)	(0.19)
Total Deposited Property		4,291,705	100	2,790,365	100.00

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12. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

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(expressed in Jamaican dollars unless otherwise indicated)

12. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Quoted equities	-	97,785	-	97,785
Unit trust	-	4,180,480	-	4,180,480
	-	4,278,265	-	4,278,265

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Quoted equities	51,582	-	-	51,582
Unit trust	-	2,740,804	-	2,740,804
	51,582	2,740,804	-	2,792,386

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Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

13. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	654,134	2,609,306
Less: Amount paid over to trustee	(654,134)	(2,609,306)
	-	-
Value of units cancelled by clients	(8,080)	(13,214)
Amount paid by trustee	8,080	13,214
	-	-

14. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	14,622	-	14,622	3,413	-	3,413
Financial assets at fair value through profit or loss	4,278,265	-	4,278,265	2,792,386	-	2,792,386

Sagicor Sigma Global Funds

Sigma Money Market® Portfolio

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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Money Market Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Money Market Portfolio set out on pages 1 to 28, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

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L.A. McKnight P.E. Williams A.K. Jain B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom D.D. Dodd G.K. Moore

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Money Market Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Money Market® Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Income			
Interest		493,175	61,830
Dividend		5,732	-
Foreign exchange gains		185,627	5,277
Loss on sale of investments		(185,967)	-
Other income		10,884	-
Unrealised (depreciation)/appreciation in value of investments		(22,122)	561
		487,329	67,668
Expenses			
Advertising		26	140
Auditors' remuneration		1,216	47
Bank charges		24	17
Insurance		344	-
Irrecoverable general consumption tax		20,565	2,184
Management fees to fund managers		116,123	13,135
Miscellaneous		125	-
Commission		9	30
Trustee fees		2,512	223
		140,944	15,776
Net Surplus, being Total Comprehensive Income for the Year		346,385	51,892

Sagicor Sigma Global Funds

Sigma Money Market® Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	5	6,547	425
Securities purchased under agreements to resell	6	1,606,751	4,883,846
Financial assets at fair value through profit or loss	7	5,578,332	224,568
Withholding tax recoverable		1	1
Receivables	8	418,231	26,863
Related parties	9	224	-
		7,610,086	5,135,703
Liability			
Payables	10	6,622	32,910
		7,603,464	5,102,793
Represented by:			
Net assets attributable to unit holders		7,603,464	5,102,793
Net asset value per unit ($)	11	1.18	1.13

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Money Market® Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		84,494
Net surplus, being total comprehensive income for the year		51,892
Issues	14	5,548,743
Encashment	14	(582,336)
Balance at 31 December 2014		5,102,793
Net surplus, being total comprehensive income for the year		346,385
Issues	14	7,541,512
Encashment	14	(5,387,226)
Balance at 31 December 2015		7,603,464

Sagicor Sigma Global Funds

Sigma Money Market® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		346,385	51,892
Adjustments for:			
Loss on sale of investments		185,967	-
Unrealised depreciation/(appreciation) in value of investments		22,122	(561)
Foreign exchange gains		(185,627)	(5,277)
Amortisation of premium		53,027	1,777
Dividend income		(5,732)	-
Interest income		(546,202)	(63,607)
		(130,060)	(15,776)
Changes in operating assets and liabilities:			
Purchase of investments		(8,860,630)	(167,833)
Sale of investments		3,538,297	12,988
Withholding tax recoverable		-	(1)
Receivables		(391,368)	(26,863)
Payables		(26,287)	32,710
Related parties		(224)	-
		(5,870,272)	(164,775)
Dividend received		5,732	-
Interest received		428,143	60,331
Net cash used in operating activities		(5,436,397)	(104,444)
Cash Flows from Financing Activities			
Proceeds from sale of units	14	7,541,512	5,548,743
Encashment of units	14	(5,387,226)	(582,336)
Net cash provided by financing activities		2,154,286	4,966,407
Net (decrease)/increase in cash and cash equivalents		(3,282,111)	4,861,963
Exchange gains on cash and cash equivalents		11,138	4,584
Cash and cash equivalents at beginning of year		4,884,271	17,724
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,613,298	4,884,271

Sagicor Sigma Global Funds
Sigma Money Market® Portfolio
Notes to the Financial Statements
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(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Money Market® Portfolio - focuses mainly on short term Government of Jamaica securities and other short term instruments. The portfolio is suited for risk-averse investors with short term horizon.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds
Sigma Money Market® Portfolio
Notes to the Financial Statements
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2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds
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Notes to the Financial Statements
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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

Sagicor Sigma Global Funds
Sigma Money Market® Portfolio
Notes to the Financial Statements
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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

Sagicor Sigma Global Funds
Sigma Money Market® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

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3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee
The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division
The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including service fee agreement. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

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3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for investments at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	2,268,236	121,519
Corporate	1,797,919	103,049
Other sovereign debt	1,512,177	-
Cash and cash equivalents	1,613,298	4,884,271
Other assets	418,455	26,863
	7,610,085	5,135,702

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include payables. These are all contractually payable within one month.

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3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)
(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$	**US$**	**Total**	**Jamaican**	**US$**	**Total**
	J$'000	**J$'000**	**J$'000**	**J$'000**	**J$'000**	**J$'000**
Financial Assets						
Cash at bank	6,547	-	6,547	425	-	425
Securities purchased under agreements to resell	1,247,520	359,231	1,606,751	4,766,527	117,319	4,883,846
Financial asset at fair value through profit or loss	2,714,945	2,863,387	5,578,332	154,734	69,834	224,568
Receivables	418,231	-	418,231	26,863	-	26,863
Related parties	224	-	224	-	-	-
	4,387,467	3,222,618	7,610,085	4,948,549	187,153	5,135,702
Financial Liabilities						
Payables	6,622	-	6,622	32,910	-	32,910
	6,622	-	6,622	32,910	-	32,910
Net financial position	4,380,845	3,222,618	7,603,463	4,915,639	187,153	5,102,792

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3. Financial Risk Management (Continued)

(d) Market risk (continued)
(i) Currency risk (continued)

Foreign currency sensitivity
The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: + 1%, -15%	32,226	1,862
2014: + 1%, -10%	(483,393)	(18,715)

(ii) Cash flow and fair value Interest rate risk
Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash at bank	6,547	-	-	-	-	-	6,547
Securities purchased under agreements to resell	610,130	988,627	-	-	-	7,994	1,606,751
Financial assets at fair value through profit or loss	720,450	718,000	353,968	2,471,268	1,191,675	122,971	5,578,332
Receivables	-	-	-	-	-	418,231	418,231
Related parties	-	-	-	-	-	224	224
Financial assets	1,337,127	1,706,627	353,968	2,471,268	1,191,675	549,420	7,610,085
Liabilities							
Payables	-	-	-	-	-	6,622	6,622
Financial liabilities	-	-	-	-	-	6,622	6,622
Total interest repricing gap	1,337,127	1,706,627	353,968	2,471,268	1,191,675	542,798	7,603,463
Cumulative interest repricing gap	1,337,127	3,043,754	3,397,722	5,868,990	7,060,665	7,603,463	
As at 31 December 2014:							
Assets							
Cash at bank	425	-	-	-	-	-	425
Securities purchased under agreements to resell	4,694,970	172,518	-	-	-	16,358	4,883,846
Financial assets at fair value through profit or loss	-	100,000	69,359	50,297	-	4,912	224,568
Receivables	-	-	-	-	-	26,863	26,863
Financial assets	4,695,395	272,518	69,359	50,297	-	48,133	5,135,702
Liabilities							
Payables	-	-	-	-	-	32,910	32,910
Financial liabilities	-	-	-	-	-	32,910	32,910
Total interest repricing gap	4,695,395	272,518	69,359	50,297	-	15,223	5,102,792
Cumulative interest repricing gap	4,695,395	4,967,913	5,037,272	5,087,569	5,087,569	5,102,792	

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	84,750	2,036
J$ +250, US$ +200 (2014 - J$ +250, US$	(266,682)	2,748

Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.
In order to maintain or adjust the capital structure, the Fund managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

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4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made no significant estimate on the amounts recognised in the financial statements:

5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	1,606,751	4,883,846
Cash at bank	6,547	425
	1,613,298	4,884,271

6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfil its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	1,598,757	4,867,488
Interest receivable	7,994	16,358
	1,606,751	4,883,846

As at 31 December 2015, the Fund held J$1,240,103,500 and US$2,988,000 (2014 - J$4,766,527,000 and US$1,026,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

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7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Government of Jamaica securities -		
Global bonds	-	69,359
Fixed rate bonds	1,919,084	50,297
	1,919,084	119,656
Other sovereign debt	1,777,717	-
Corporate bond	1,758,560	100,000
	5,455,361	219,656
Interest receivable	122,971	4,912
	5,578,332	224,568

	2015 $'000	2014 $'000
Gains/(losses) recognised in relation to financial assets at fair value through profit or loss comprise:		
Unrealised (losses)/gains	(22,122)	561
Realised losses	(185,967)	-
	208,089	561

Included in corporate bonds are investments valued 2015 J$382,763,000 and $402,095,000 (2014 - $Nil) that relates to a United States dollar Amortising Note that was issued by X Fund Properties Limited.

8. Receivables

	2015 $'000	2014 $'000
Broker receivables	6,012	-
Customer settlement accounts	412,219	26,863
	418,231	26,863

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9. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	169,102	65,165

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	116,123	13,135
Trustee fees	2,512	223
	118,635	13,358

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9. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	6,547	425
Sagicor Investments Jamaica Limited	1,606,751	4,883,846
	1,613,298	4,884,271
(ii) Financial assets at fair value through profit or loss (Note 7)		
Corporate bonds -		
X Fund Properties Limited	784,858	-
(ii) Due from related parties -		
Sagicor Real Estate X Fund Limited	224	-

10. Payables

	2015 $'000	2014 $'000
Accruals	5,333	2,866
Customer settlement accounts	1,289	30,044
	6,622	32,910

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11. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	6,656,961	4,946,591
Encashment	(4,747,523)	(518,074)
Net encashment	1,909,438	4,428,517
At the beginning of the year	4,508,076	79,559
At the end of the year	6,417,514	4,508,076

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.13	1.06
Increase during the year, being 4.42% (31 December 2014 – 6.60%) of the NAV per unit at the beginning of the year	0.05	0.07
At the end of the year/period	1.18	1.13

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12. Statement of Deposited Property

	31 December 2015		31 December 2014	
	Carrying Value $'000	% of portfolio	Carrying Value $'000	% of portfolio
Investments				
Securities purchased under agreements to resell	1,598,757	21.03	4,867,488	95.39
Interest receivable	7,994	0.11	16,358	0.32
	1,606,751	21.13	4,883,846	95.71
Government of Jamaica securities -				
Benchmark notes	1,919,084	25.24	50,297	0.98
Global bonds	-	-	69,359	1.36
Other sovereign debt	1,777,717	23.38	-	-
Corporate bonds	1,758,560	23.13	100,000	1.96
	5,455,361	71.75	219,656	4.30
Interest receivable	122,691	1.62	4,912	0.10
	5,578,332	73.37	224,568	4.40
Total Investments	7,185,083	94.50	5,108,414	100.11
Sundries				
Other assets less other liabilities	418,381	5.50	(5,621)	(0.11)
Total Deposited Property	7,603,464	100.00	5,102,793	100.00

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Sigma Money Market Portfolio

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13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

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13. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Fixed rate benchmark notes	-	1,919,084	-	1,919,084
Sovereign debt	-	1,777,717	-	1,777,717
Corporate bonds	-	508,673	1,249,887	1,758,560
	-	4,205,474	1,249,887	5,455,361

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Global bonds	-	69,360	-	69,360
Fixed rate benchmark notes	-	50,297	-	50,297
Corporate bonds	-	-	100,000	100,000
	-	119,657	100,000	219,657

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Sigma Money Market Portfolio

Notes to the Financial Statements

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13. Fair Values of Financial Instruments (Continued)

Reconciliation of level 3 items -

	2015 $'000	2014 $'000
Balance at beginning of year	100,000	-
Purchases	1,901,398	100,000
Sales	(770,525)	-
Total gain – income or expenditure	19,014	-
Balance at end of year	1,249,887	100,000
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	19,014	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	19,014	-

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31December	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2014						
Corporate bonds	1,758,560	Last cost price	-	-	10%	175,856
2014						
Corporate bonds	100,000	Last cost price	-	-	10%	10,000

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14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	7,541,512	5,548,743
Less: Amount paid over to trustee	(7,541,512)	(5,548,743)
	-	-
Value of units cancelled by clients	(5,387,226)	(582,336)
Amount paid by trustee	5,387,226	582,336
	-	-

15. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	1,606,751	-	1,606,751	4,893,846	-	4,883,846
Financial assets at fair value through profit or loss	1,915,389	3,662,943	5,578,332	74,272	150,296	224,568

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Global Equity Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Global Equity Portfolio set out on pages 1 to 30, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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 give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Global Equity Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor SigmaGlobal Funds

Sigma Global Equity® Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Dividends	24,063	2,112
Foreign exchange gains	166,769	62,142
Gain on sale of investments	131,794	63,695
Interest	16,978	6,359
Miscellaneous	5,848	-
Unrealised (depreciation)/appreciation in value of investments	(78,719)	71,905
	266,733	206,213
Expenses		
Advertising	4	349
Auditors' remuneration -		
- current year	781	137
Bank charges	25	16
Commission	1,168	3,354
Insurance	291	-
Interest expense		-
Irrecoverable general consumption tax	11,048	3,338
Management fees to fund managers	61,915	20,030
Miscellaneous	161	78
Registrar fees	5	33
Trustee fees	1,491	454
	76,889	27,789
Net Surplus, being Total Comprehensive Income for the Year	189,844	178,424

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash and bank balances	5	3,595	-
Securities purchased under agreements to resell	6	1,360,523	248,139
Financial assets at fair value through profit or loss	7	2,854,648	3,252,272
Withholding tax recoverable		-	29
Receivables	8	6,481	340
Related parties	9	100,000	-
		4,325,247	3,500,780
Liabilities			
Payables	10	5,782	2,550
Bank overdraft	5	-	2,353
		5,782	4,903
		4,319,465	3,495,877
Represented by:			
Net assets attributable to unit holders		4,319,465	3,495,877
Net asset value per unit ($)	11	1.61	1.54

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Statement of Changes in Net Assets Attributable to Unit holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	$'000
Balance at 31 December 2013		319,732
Net surplus, being total comprehensive income for the year		178,424
Issues	14	3,053,031
Encashment	14	(55,310)
Balance at 31 December 2014		3,495,877
Net surplus, being total comprehensive income for the year		189,844
Issues	14	672,781
Encashment	14	(39,037)
Balance at 31 December 2015		4,319,465

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		189,844	178,424
Adjustments for:			
Gain on sale of investments		(131,794)	(63,695)
Foreign exchange gains		(166,769)	(62,142)
Unrealised appreciation in value of investments		78,719	(71,905)
Interest income		(16,978)	(6,359)
Dividend income		(24,063)	(2,112)
		(71,041)	(27,789)
Changes in operating assets and liabilities:			
Purchase of investments		(3,176,193)	(6,653,384)
Sale of investments		3,788,968	3,740,882
Withholding tax recoverable		29	(29)
Receivables		(6,141)	(340)
Payables		3,233	2,158
Related parties		(100,000)	-
		438,855	(2,938,502)
Interest received		16,978	6,359
Dividend income		24,063	2,112
Net cash provided by/(used) in operating activities		479,896	(2,930,031)
Cash Flows from Financing Activities			
Proceeds from sale of units	14	672,781	3,053,031
Encashment of units	14	(39,037)	(55,310)
Net cash provided by financing activities		633,744	2,997,721
Net increase in cash and cash equivalents		1,113,640	67,690
Exchange gains on cash and cash equivalents		4,692	8,797
Cash and cash equivalents at beginning of year		245,786	169,299
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	1,364,118	245,786

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2014. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2014, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Global Equity Portfolio - focuses mainly on investments in equities both locally and regionally. The portfolio is suited to the moderate to high risk seeking investor.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund (continued)

IASB Annual Improvements -
The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

(b) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income
Dividend income is recognised when the right to receive payment is established.

Interest income
Interest income is recognised on a time-proportion basis using the effective interest method.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition (continued)

Gain or loss on sale of investment
Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services
Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

Sagicor Sigma Global Funds
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Notes to the Financial Statements
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2. Summary of Significant Accounting Policies (Continued)

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 13.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

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2. Summary of Significant Accounting Policies (Continued)

(h) Impairment of assets
Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(j) Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

(k) Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(l) Expenses
Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

(m) Redeemable units
The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note d) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee
The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

Sagicor Sigma Global Funds
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Notes to the Financial Statements
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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee
The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division
The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk
The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including service fee agreements. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's credit exposure for investments at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Cash and cash equivalents	1,364,118	248,139
Other assets	106,481	340
	1,470,599	248,479

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

Financial liabilities include bank overdraft and payables. These are all contractually payable within one month.

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Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

Sagicor Sigma Global Funds
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Notes to the Financial Statements
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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)
(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$	US$	Total	Jamaican$	US$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Financial Assets						
Cash and bank balances	3,595	-	3,595	-	-	-
Securities purchased under agreements to resell	269,060	1,091,463	1,360,523	64,749	183,390	248,139
Financial assets at fair value through profit or loss	245,589	2,609,059	2,854,648	222,680	3,029,592	3,252,272
Receivables	6,481	-	6,481	340	-	340
Related parties	100,000	-	100,000	-	-	-
	624,725	3,700,522	4,325,247	287,769	3,212,982	3,500,751
Financial Liabilities						
Bank overdraft	-	-	-	2,353	-	2,353
Payables	5,782	-	5,782	2,550	-	2,550
	5,782	-	5,782	4,903	-	4,903
Net financial position	618,943	3,700,522	4,319,465	282,866	3,212,982	3,495,848

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)
(i) Currency risk (continued)

Foreign currency sensitivity
The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Currency:		
2015: + 1%, -15%	37,005	32,130
2014: + 1%, -10%	(555,078)	(321,298)

(ii) Cash flow and fair value Interest rate risk
Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash and bank balances	3,595	-	-	-	-	-	3,595
Securities purchased under agreements to resell	256,771	1,099,203	-	-	-	4,549	1,360,523
Financial assets at fair value through profit or loss	-	-	-	-	-	2,854,648	2,854,648
Receivables	-	-	-	-	-	6,481	6,481
Related parties	-	-	-	-	-	100,000	100,000
Financial assets	260,366	1,099,203	-	-	-	2,965,678	4,325,247
Liabilities							
Payables	-	-	-	-	-	5,782	5,782
Financial liabilities	-	-	-	-	-	5,782	5,782
Total interest repricing gap	260,366	1,099,203	-	-	-	2,959,896	4,319,465
Cumulative interest repricing gap	260,366	1,359,569	1,359,569	1,359,569	1,359,569	4,319,465	

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2014:							
Assets							
Securities purchased under agreements to resell	247,941	-	-	-	-	198	248,139
Financial assets at fair value through profit or loss	-	-	-	-	-	3,252,272	3,252,272
Receivables	-	-	-	-	-	340	340
Financial assets	247,941	-	-	-	-	3,252,810	3,500,751
Liabilities							
Securities sold under agreement to repurchase							
Payables	-	-	-	-	-	2,550	2,550
Bank overdraft	2,353	-	-	-	-	-	2,353
Financial liabilities	2,353	-	-	-	-	2,550	4,903
Total interest repricing gap	245,588	-	-	-	-	3,250,260	3,495,848
Cumulative interest repricing gap	245,588	245,588	245,588	245,588	245,588	3,495,848	

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually. There was $Nil impact on the Fund's income or expenditure arising from interest rate sensitivity.

(iii) Equity price risk

The Fund is exposed to equity securities price risk. This arises for investments held by the Fund for which price in the future is uncertain.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Trustee.

The Fund's policy also sets limits for investment in individual equity securities as a percentage of net assets.

The majority of the Fund's equity investments are publicly traded and based on the nature of the Fund, the equity investments are either listed locally on the Jamaica Stock Exchange or internationally on a recognised stock exchange.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(iii) Equity price risk (continued)

The table below summarises the sensitivity of the Fund's net income to equity price movement as at 31 December. The analysis is based on the assumption of a 10% (2014 – 10%) increase or decrease in equity prices, with all other variables held constant.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
10% (2014 – 10%) increase	260,906	302,959
10% (2014 – 10%) decrease	(260,906)	(302,959)

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.
In order to maintain or adjust the capital structure, the Fund managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made no significant estimate on the amounts recognised in the financial statements.

5. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreements to resell (with original maturity of less than 90 days)	1,360,523	248,139
Cash and bank balances	3,595	-
Bank overdraft	-	(2,353)
	1,364,118	245,786

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
31 December 2015
(expressed in Jamaican dollars unless otherwise indicated)

6. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	1,355,974	247,941
Interest receivable	4,549	198
	1,360,523	248,139

As at 31 December 2015, the Fund held J$265,792,800 and US$9,082,700; (2014 - J$64,749,000 and US$1,603,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

7. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Unit trust	245,590	222,680
Quoted equities -		
(Cost - 2015: US$21,484,400; 2014 - US$25,719,000)	2,609,058	3,029,592
	2,854,648	3,252,272

	2015 $'000	2014 $'000
Gains/(losses) recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains	131,794	63,695
Unrealised (losses)/gains	(78,719)	71,905
	53,075	135,600

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global Funds (formerly Sagicor Sigma Funds) portfolios.

8. Receivables

	2015 $'000	2014 $'000
Broker account	6,481	-
Customer settlement accounts	-	340
	6,481	340

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

9. Related Party Balances and Transactions

During the year ended 31 December 2014, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	22,210	6,876

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	61,915	20,030
Trustee fees	1,491	454
	63,406	20,484

Sagicor Sigma Global Funds
Sigma Global Equity® Portfolio
Notes to the Financial Statements
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9. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	3,595	(2,353)
Sagicor Investments Jamaica Limited	1,360,523	248,139
	1,364,118	245,786
(iii) Financial assets at fair value through profit or loss (Note 7)		
Investment in units in other Sagicor Sigma Global Funds Portfolios	245,590	222,680
(iii) Due from related parties -		
Sagicor Sigma Bond Portfolio	72,651	-
Sagicor Sigma Equity Portfolio	2,339	-
Sagicor Real Estate X Fund Limited	25,010	-
	100,000	-

10. Payables

	2015 $'000	2014 $'000
Accruals	2,956	1,814
Customer settlement accounts	2,826	736
	5,782	2,550

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

11. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	445,937	2,065,322
Encashment	(24,212)	(38,380)
Net encashment	421,725	2,026,942
At the beginning of the year	2,263,088	236,146
At the end of the year	2,684,813	2,263,088

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.54	1.35
Increase during the year, being 4.55% (31 December 2014 – 14.07%) of the NAV per unit at the beginning of the year	0.07	0.19
At the end of the year	1.61	1.54

Sagicor Sigma Global Funds

Sigma Global Equity® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

12. Statement of Deposited Property

	31 December 2015			31 December 2014		
	No. of Stock units/shares	Carrying Value	% of portfolio	No. of Stock units/shares	Carrying Value	% of portfolio
Quoted equities:						
Select Sector SPDR FD Consumer Staples	5,677	34,397	0.80	5,677	31,716	0.91
Select Sector SPDR FD Financial	6,048	31,404	0.73	6,048	33,021	0.94
Select Sector SPDR FD Industrial	26,798	231,717	5.36	4,398	34,799	1.00
Select Sector SPDR FD Technology	3,798	35,631	0.82	3,798	31,576	0.90
Standard and Poor Depositary Receipt	-	-	-	77,650	1,840,341	52.64
Select Sector SPDR FD Materials	5,319	27,727	0.64	5,319	29,820	0.85
Select Sector SPDR TR Energy	2,752	19,921	0.46	2,752	25,033	0.72
Proshares Ultra S&P500	147,335	1,113,410	25.78	-	-	-
Proshares Ultra Bloomberg CR	75,839	114,150	2.65	-	-	-
Proshares Ultra Healthcare	4,760	37,651	0.87	4,760	68,999	1.97
Proshares Ultra DJ-AIG crude oil	-	-	-	19,473	22,253	0.64
Direxion SHS ETF TR	112,080	376,140	8.71	4,330	15,736	0.45
IPATH S&P GSCI Crude Oil Total	6,000	4,494	0.10	6,000	8,435	0.24
Proshares TR Ultra FINL PRO	32,498	276,715	6.41	32,498	564,047	16.14
Ultra technology Proshares	25,634	240,883	5.58	12,817	200,048	5.72
Proshares TR Ultra Industrials	5,083	64,818	1.50	10,167	123,768	3.54
Total quoted equities		2,609,058	60.40		3,029,592	86.66
Unit trust		245,590	5.69		222,680	6.37
		2,854,648	66.09		3,252,272	93.03
Securities purchased under agreements to resell		1,360,523	31.50		248,139	7.10
Total Investments		4,215,171	97.59		3,500,411	100.13
Sundries						
Other assets less other liabilities		104,294	2.41		(4,534)	(0.13)
Total Deposited Property		4,319,465	100.00		3,495,877	100.00

Sagicor Sigma Global Funds

Sigma Global Equity Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

Sagicor Sigma Global Funds

Sigma Global Equity Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

13. Fair Values of Financial Instruments

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Quoted equities	2,609,058	-	-	2,609,058
Unit trust	-	245,590	-	245,590
	2,609,058	245,590	-	2,854,648

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Quoted equities	3,029,592	-	-	3,029,592
Unit trust	-	222,680	-	222,680
	3,029,592	222,680	-	3,252,272

Sagicor Sigma Global Funds

Sigma Global Equity Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

14. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	672,871	3,053,031
Less: Amount paid over to trustee	(672,871)	(3,053,031)
	-	-
Value of units cancelled by clients	(39,037)	(55,310)
Amount paid by trustee	39,037	55,310
	-	-

15. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current $'000	Non-Current $'000	Total $'000	Current $'000	Non-Current $'000	Total $'000
ASSETS						
Securities purchased under agreements to resell	1,360,523	-	1,360,523	248,139	-	248,139
Financial assets at fair value through profit or loss	2,854,648	-	2,854,648	3,252,272	-	3,252,272

Sagicor Sigma Global Funds
Sigma Real Estate® Portfolio
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31 December 2015

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Independent Auditor's Report

To the Trustee of
Sagicor Sigma Global Funds – Sigma Real Estate Portfolio

Report on the Financial Statements

We have audited the accompanying financial statements of Sagicor Sigma Global Funds – Sigma Real Estate Portfolio set out on pages 1 to 41, which comprise the statement of financial position of the portfolio as at 31 December 2015, and the statements of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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.

Auditor's 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 about 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 of financial statements that give a true and fair view 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.

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

L.A. McKnight P.E. Williams A.K. Jain B.L. Scott B.J Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom D.D. Dodd G.K.Moore

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sagicor Sigma Global Funds – Sigma Real Estate Portfolio as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
8 July 2016
Kingston, Jamaica

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Income		
Room packages	5,856,646	4,918,975
Gift shop	203,061	237,586
Health club	165,857	160,120
Rental income from investment properties	546,753	501,557
Parking fees from investment properties	23,282	26,075
Net gain from fair value adjustment on investment properties	987,110	766,944
Unrealised (depreciation)/ appreciation in value of investments	(48,972)	33,148
Gain on sale of investments	59,094	67,481
Other	573,286	230,864
Interest	211,286	54,197
Dividends	-	351
Foreign exchange gain	29,919	74,695
Meetings and conferences	12,457	6,731
	8,619,779	7,078,724
Expenses		
Auditors' remuneration		
- Current year	24,000	13,527
- Prior year	12,179	5,243
Administration	233,888	215,354
Annual report and general meeting	3,421	1,809
Commission expense	33,997	31,645
Consultancy fees	3,352	90,840
Depreciation	418,576	354,896
Directors fees	11,130	12,632
Meetings and conferences	10,938	-
Engineering	320,624	231,056
Food and beverage	1,081,948	919,838
Gift shop	86,093	82,924
Health club	43,366	45,182
Insurance	151,737	183,387
Irrecoverable general consumption tax	129,172	121,751
Management fees to fund managers	306,081	232,860
Management fees to operator of hotel properties	182,379	133,782
Management fees to franchisor	33,910	-
Miscellaneous	255,743	176,211
Other taxes	10,324	11,018
Professional and legal fees	43,656	56,635
Promotion and advertising	305,129	306,819
Balance carried forward	3,701,643	3,227,409

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Statement of Comprehensive Income (Continued)

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Expenses (Continued)		
Balance brought forward	3,701,643	3,227,409
Provision for bad debts	50,275	38,281
Regulatory fees	883	1,961
Repairs and maintenance	48,466	80,251
Rooms	327,154	267,756
Salaries	1,738,671	1,517,951
Secretarial fees	-	337
Subscription	6,105	-
Trustee fees	9,146	7,225
Utilities	452,531	573,248
Valuation fees	204	16,322
	6,335,078	5,730,741
Net Surplus	2,284,701	1,347,983
Item that will be reclassified to profit or loss		
Gains on revaluation of property, plant and equipment (Note 12)	930,096	801,311
Total other comprehensive income	930,096	801,311
Total Comprehensive Income for the Year	3,214,797	2,149,294

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Assets			
Cash at bank	6	542,336	731,169
Securities purchased under agreements to resell	7	1,450,505	2,059,944
Financial assets at fair value through profit or loss	8	2,464,347	997,440
Receivables	9	687,934	766,771
Inventories	10	271,160	223,841
Investment properties	11	9,108,375	6,671,704
Withholding tax recoverable		819	2,348
Property, plant and equipment	12	12,969,386	11,840,223
		27,494,862	23,293,440
Liabilities			
Bank overdraft	6	82,258	13,813
Payables	13	2,246,324	1,033,642
Related parties	14	4,315	300,134
Amounts due to operator of hotel properties		62,536	38,872
Withholding tax payable		2,662	-
		2,398,095	1,386,461
		25,096,767	21,906,979
Represented by:			
Net assets attributable to unit holders:			
Capital account		20,918,620	18,658,928
Capital reserve	15	4,178,147	3,248,051
		25,096,767	21,906,979
Net asset value per unit ($)	16	1.56	1.37

Approved for issue by the Board of Directors on 7 July 2016 and signed on its behalf by:

Rohan Miller Director

Donovan Perkins Director

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Statement of Changes in Net Assets Attributable to Unit Holders

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Net assets attributable to unit holders		
	Capital Account	**Capital reserve**	**Total**
	$'000	**$'000**	**$'000**
Balance at 31 December 2013	15,633,809	2,446,740	18,080,549
Net surplus for the year	1,347,983	-	1,347,983
Other comprehensive income			
Revaluation on property, plant and equipment (Note 12)	-	801,311	801,311
Total comprehensive income	1,347,983	801,311	2,149,294
Issues (Note 19)	2,714,563	-	2,714,563
Encashment (Note 19)	(1,037,427)	-	(1,037,427)
Balance at 31 December 2014	18,658,928	3,248,051	21,906,979
Net surplus for the year	2,284,701	-	2,284,701
Other comprehensive income			
Revaluation on property, plant and equipment (Note 12)	-	930,096	930,096
Total comprehensive income	2,284,701	930,096	3,214,797
Issues (Note 19)	98,462	-	98,462
Encashment (Note 19)	(123,471)	-	(123,471)
Balance at 31 December 2015	20,918,620	4,178,147	25,096,767

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Net surplus for the year		2,284,701	1,347,983
Adjustments for:			
Foreign exchange gains		(29,919)	(74,695)
Depreciation		418,576	354,896
Unrealised (depreciation)/appreciation in the value of investments		48,972	(33,148)
Gain on sale of investments		(59,094)	(67,482)
Net gain from fair value adjustment on investment properties		(987,110)	(766,944)
Interest income		(211,286)	(54,197)
		1,464,840	706,413
Changes in operating assets and liabilities:			
Securities purchased under agreement to resell		-	294,585
Purchase of investments		(1,542,720)	(2,486,101)
Sale of investments		122,699	1,508,122
Withholding tax recoverable		1,529	(2,348)
Withholding tax payable		2,662	-
Receivables		101,900	94,761
Inventories		(47,319)	(66,508)
Payables		1,152,591	258,441
Amounts due to operator of hotel properties		(17,719)	(99,060)
Related parties		(295,819)	-
		942,644	208,305
Interest received		160,112	45,709
Net cash provided by operating activities		1,102,756	245,014
Cash Flows from Investing Activities			
Proceeds on sale of investment property		223,759	-
Purchase of investment properties		(1,644,561)	(271,251)
Purchase of property plant and equipment		(617,643)	(890,153)
Net cash used by investing activities		(2,038,445)	(1,161,404)
Cash Flows from Financing Activities			
Proceeds from sale of units	19	98,462	2,714,563
Encashment of unit	19	(123,471)	(1,037,427)
Net cash (used in)/provided by financing activities		(25,009)	1,677,136
Net (decrease)/increase in cash and cash equivalents		(960,698)	769,746
Balance carried forward b/f		**(960,698)**	**769,746**

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Statement of Cash Flows (Continued)

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash flows (Continued)			
Net (decrease)/increase in cash and cash equivalents c/f		(960,698)	769,746
Exchange gains on cash and cash equivalents		93,981	89,657
Cash and cash equivalents at beginning of year		2,777,300	1,917,897
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	1,910,583	2,777,300
Supplemental Disclosure of Non-Cash Investing Activity:			
Additions to property, plant and equipment and investment properties		930,096	801,311

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification

Sagicor Sigma Funds (the Fund) was created by a Trust deed dated 15 February 1993 and commenced operations on 5 August 1994 and is registered in Jamaica under the Unit Trusts Act. The Fund changed its name from Sagicor Sigma Funds to Sagicor Sigma Global Funds with an effective date of 3 November 2015. The Fund also changed the name of six of the portfolios. See details in table below. The fund manager is Sagicor Investments Jamaica Limited (SIJL). On 10 January 2015, Sagicor Investments Jamaica Limited entered into an agreement with a fellow subsidiary Sagicor Life Jamaica Limited for the delegation of specific management and administration duties. A management agreement was entered into with a third party, Aimbridge Jamaica Limited, to manage the operations of the hotel properties included in the Sigma Real Estate® Portfolio.

The Trustee for the Fund is JCSD Trustee Services Limited.

During 2014, The Sigma Fund introduced three new portfolios under the brand names:

(i) Sigma Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated in Jamaican dollars. Portfolio will be open to the public in 2016.

(ii) Sigma Global Markets Portfolio – A balanced asset portfolio invested in a mix of the other Sigma Fund portfolios as determined by the manager denominated in United States dollars. Portfolio will be open to the public in 2016.

(iii) Sigma Global Income Portfolio – An open-ended daily investment fund that provides liquidity for customers invested in a diversified portfolio of Government securities, placements and other short term instruments denominated United States dollars Portfolio will be open to the public in 2016.

These funds were approved by the Financial Services Commission. The new portfolios will be made available to the public in 2016.

Sigma Real Estate® Portfolio focuses on investing in various real estate related assets across property types and geographical borders.

The income of the Fund is exempt from income tax, under Section 12(t) of the Income Tax Act.

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

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

(a) Basis of preparation

The Fund's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in the current year

Certain amendments and clarifications to existing standards have been published that became effective during the current financial year. The Fund has assessed the relevance of all such new amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

The IASB annual improvements projects for the 2010 – 2012 and 2011-2014 cycles resulted in amendments to the following standards which were deemed relevant to the Fund's operations. These amendments were effective for the accounting periods beginning on or after 1 July 2014.

- IFRS 13, 'Fair value measurements'. When IFRS 13 was published, certain paragraphs of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment did not have a significant impact on the fund financial statements.

- IAS 24, 'Related Party Disclosures'**.** Has been amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent entity. The amendment did not have a significant impact on the fund financial statements.

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

At the date of authorisation of these financial statements a number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Fund is yet to assess IFRS 9's full impact.

- IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2017). The IASB has published its new revenue standard, IFRS 15 'Revenue from Contracts with Customers'. The U.S. Financial Accounting Standards Board (FASB) has concurrently published its equivalent revenue standard which is the result of a convergence project between the two Boards. IFRS 15 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. It specifies how and when an entity will recognise revenue. It also requires entities to provide more informative, relevant disclosures. The standard supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for accounting periods beginning on or after 1 January 2017. The Fund is assessing the impact of future adoption of the standard.

- IFRS 16, 'Leases', (effective for annual periods beginning on or after 1 January 2019). In January 2016, the IASB published IFRS 16 which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. There is an optional exemption for lessees for certain short-term leases and leases of low-value assets.

Sagicor Sigma Global Funds

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Fund

- Amendment to IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016). This amendment forms part of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. It clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss. The Fund is currently assessing the impact of future adoption of the amendments on its financial statement.

- IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets (effective for accounting periods beginning on or after 1 January 2016). Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is to be restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of two ways. The gross carrying amount may restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. Alternatively, the accumulated depreciation may be eliminated against the gross carrying amount of the asset.

IASB Annual Improvements -

The IASB annual improvements project for the 2012 - 2015 cycle resulted in amendments to the following standards which may be relevant to the fund's operations. These amendments are effective for the accounting periods beginning on or after 1 January 2016. The fund is assessing the impact of future adoption of the amendments.

- IFRS 7, 'Financial instruments: Disclosures'. The amendment clarifies, among other things, that the additional disclosure required by the amendments to IFRS 7, 'Disclosure – Offsetting financial assets and financial liabilities' is not specifically required for all interim periods, unless required by IAS 34.

- IAS 7, 'Statement of cash flows: Disclosures'. The amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Fund.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable from investment in securities purchased under agreements to resell, Government of Jamaica paper, quoted and unquoted equities and other investment services provided in the ordinary course of the Fund's activities. Revenue also comprises the fair value of the consideration received or receivable net of General Consumption Tax and discounts for hotel and related services and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income

Rent and other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Fund will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Gain or loss on sale of investment

Gain or loss on the disposal or maturity of investment, is determined by comparing sale proceeds with the carrying amount of the investment. This amount is recognised in income or expenditure.

Sales of services

Sales of services generated from hotel and other operations are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Sales of goods

Sales of goods, mainly from the gift shops, are recognised when the Fund sells a product to a customer. Sales are usually in cash or by credit card.

Sagicor Sigma Global Funds

Sigma Real Estate® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the statement of financial position date, assets and liabilities denominated in the foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates different from those at the dates of the transactions, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in income or expenditure.

Exchange differences on the non-monetary financial assets are a component of the change in their fair value.

(d) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is so designated by management or is acquired principally for the purpose of selling in the short term.

Purchases and sales of investments are recognised on trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in income or expenditure in the period in which they arise

The fair value of financial instruments traded in active markets (such as publicly trading securities) is based on quoted market prices at the statement of position date. The quoted market price used for financial assets held by the Fund is the current bid price. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(e) 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 Fund's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash, securities purchased under agreements to resell, financial assets at fair value through profit or loss, receivables, securities sold under agreements to repurchase and payables.

The fair value of the Fund's financial instruments is discussed in Note 18.

(g) Sale and repurchase agreements

Securities purchased under agreements to resell (reverse repurchase agreements) and securities sold under agreements to repurchase (repurchase agreements) are treated as collateralised financing transactions and are recorded at the amount at which the securities were acquired or sold plus accrued interest.

The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(i) Provision

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, when it is probable than an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

(j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the date of acquisition including cash, securities purchased under agreements to resell, bank overdraft and securities sold under agreements to repurchase.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(l) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Owner-managed hotel properties are not classified as investment properties and are treated as property, plant and equipment as they are use for the production or supply of goods or services.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Fund expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Fund uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

Where the Fund disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment properties.

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Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(n) Property, plant and equipment

Property, plant and equipment, including owner-managed properties, are recorded at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into existing use. Subsequent to their initial recognition, property, plant and equipment are carried at revalued amounts. Revaluations are performed by independent qualified valuers annually.

Increases in the carrying values arising from revaluations are credited to the capital reserve. Decreases in the carrying values arising from revaluations are first offset against increases from earlier revaluations in respect of the same assets and are thereafter charged to the statement of comprehensive income. All other decreases in carrying values are charged to the statement of comprehensive income. Any subsequent increases are credited to the statement of comprehensive income up to the respective amounts previously charged.

Revaluation surpluses realised through the depreciation or disposal of revalued assets are retained in the capital reserve and will not be available for offsetting against future revaluation losses.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of position date.

Land held under operating leases is classified and accounted for by the Fund as property, plant and equipment. The operating lease is accounted for as if it were a finance lease.

Depreciation, to write off the cost or valuation of each asset, to their residual values over their estimated useful lives is calculated using the straight-line method.

The Fund uses the following useful lives for depreciation purposes:

Buildings	40 years
Leasehold improvements	40 years
Furniture & Equipment	3 - 5 years

No depreciation is provided for construction in progress until they are completed and ready for use.

Property, plant and equipment, are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of a cash generating unit exceeds the higher of its fair value less costs to sell and its value in use, which is the estimated net present value of future cash flows to be derived from the cash generating unit.

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are recorded in profit or loss.

(o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(p) Expenses

Expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income. In addition to management fees, the fund is responsible for the payment of all direct expenses relating to its operations.

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Notes to the Financial Statements

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2. Summary of Significant Accounting Policies (Continued)

(q) Redeemable units

The Fund issues unit which are redeemable at the holder's option and are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net assets value. The redeemable units are carried at the redemption amount that is payable (prior to redemption of any applicable fees and charges) at the statement of financial position date if the holder exercises the right to put the unit back to the Fund.

Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders by the total number of outstanding redeemable units. In accordance with the Trust Deed, investment positions are valued based on the procedures desired in (Note (d)) for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3. Financial Risk Management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Fund's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Fund's financial performance.

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors of the fund managers (Note 1) is ultimately responsible for the establishment and oversight of the Fund's risk management framework. The fund managers have established committees/departments for managing and monitoring risks, as follows:

(i) Risk Management Committee

The Risk Management Committee is responsible for the development of credit and investment policies and standards that conform to applicable law, regulations and corporate policies; approving credit proposal requests; reviewing and approving exceptions to core credit and investment policies that may represent unusual risk; and ensuring that aggregate credit risk exposure are within the Fund's risk taking capacity. This Committee is also responsible for formulating and monitoring investment portfolios and investment strategies for the Fund. In addition, this Committee is responsible for approval and monitoring of appropriate trading limits, reports and compliance controls to ensure that the mandate is properly followed. The Committee's decisions receive final ratification at Board Meetings.

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Sigma Real Estate® Portfolio

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(ii) Audit and Compliance Committee

The Audit and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit and Compliance Committee is assisted in its oversight role by the Internal Audit Department and the Risk Management Committee. Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Compliance Committee. The Risk Management Committee ensures adherence to internal policies and procedures, and regulatory rules and guidelines.

(iii) The Treasury Division

The Treasury Division is responsible for managing the Fund's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Fund.

The most important types of risks faced by the Fund are credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk, interest rate and equity price risk.

(a) Credit risk

The Fund takes on exposure to credit risk, which is the risk that its customers or counterparties will cause a financial loss for the Fund by failing to discharge their contractual obligations. Credit risk is an important risk for the Fund's business; management therefore carefully monitors its exposure to credit risk. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on cash and cash equivalents and other receivable balances, including rental and service fee agreements and amounts due from Aimbridge. The Fund structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to geographical and industry segments.

The Fund limits its exposure to credit risk by investing in marketable securities, with counterparties that have acceptable credit quality and Government of Jamaica securities. As a result of the Central Securities Depository (CSD), all domestic Government of Jamaica securities have been dematerialised which has significantly reduced the settlement risk. The credit exposure is managed by establishing exposure limits after an internal analysis and approval. Actual exposures against limits are monitored frequently. Management assesses the market value of the underlying securities that collaterise the transactions and takes the appropriate margins required. Management actively seeks to transact with counterparties that demonstrate an ability to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of different types of collateral.

Securities lending and reverse repurchase transactions – cash equivalents or Government of Jamaica securities.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral held.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Credit exposure

The following tables summarise the Fund's maximum credit exposure before any credit for investments at their carrying amounts, as categorised by issuer:

	2015 $'000	2014 $'000
Government of Jamaica	728,675	826,348
Corporate	1,668,482	105,550
Cash and cash equivalents	1,992,841	2,791,113
Other assets	553,929	839,860
	4,943,927	4,562,871

(c) Liquidity risk

Liquidity risk is the risk that the Fund is unable to meet obligations to repay unit holders.

Liquidity risk management process

The Fund is exposed to daily cash redemptions by unit holders. The Fund's liquidity management process, as carried out within the Fund and monitored by the Fund managers, includes:

(i) Monitoring future cash flows and liquidity on a periodic basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;

(ii) Maintaining assets than can readily be liquidated as protection against any unforeseen interruption to cash flow; and

(iii) Optimising cash returns on investment.

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Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial liabilities include bank overdraft, payables, amounts due to operator of hotel properties, related parties. Except for the ones summarised below, these were all contractually payable within one month.

The table below presents the contractual maturities of undiscounted cash flows (both principal and interest cash flows) of the Fund's financial liabilities.

	Within 6 Month	Within 3 Years	Within 6 Month	Within 3 Years
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial liabilities -				
Amount due on investment properties	600,142	420,100	-	-
	600,142	420,100	-	-

(d) Market risk

(i) Currency risk

The Fund takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rate, credit spreads, foreign exchange rates and equity prices. Market risk is monitored by the Risk Management Committee which carries out research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using duration analysis, sensitivity analysis and historical value-at-risk.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk occurs when the Fund takes on open position in a currency. To control this exchange risk the Risk Management Committee has approved limits for net open position in each currency.

The Fund also has transactional currency exposure. This exposure arises from having financial assets in currencies other than those in which financial liabilities are expected to settle. The Fund ensures that its net exposure is kept at approved levels.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Concentrations of currency risk for financial instruments

The tables below summarise the Fund's exposure to foreign currency exchange rate risk at 31 December.

	2015			2014		
	Jamaican$	US$	Total	Jamaican $	US$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000	J$'000
Financial Assets						
Cash at bank	229,199	313,137	542,336	381,878	349,291	731,169
Securities purchased under agreements to resell	255,985	1,194,520	1,450,505	654,354	1,405,590	2,059,944
Financial asset at fair value through profit or loss	1,949,747	514,600	2,464,347	891,890	105,550	997,440
Receivables	55,601	498,328	553,929	136,667	461,345	598,012
	2,396,835	2,614,282	5,011,117	2,064,789	2,371,776	4,386,565
Financial Liabilities						
Bank overdraft	82,258	-	82,258	13,813	-	13,813
Payables	863,645	1,277,605	2,141,250	979,373	116,696	1,096,069
Amounts due to operators of hotel properties	-	62,536	62,536	-	38,872	38,872
Related parties	4,315	-	4,315	300,134	-	300,134
	950,218	1,340,141	2,290,359	993,186	155,568	1,448,888
Net financial position	1,446,617	1,274,141	2,720,758	1,071,603	2,216,208	2,937,677

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the Fund's exposure on its monetary assets and liabilities denominated in United States dollars and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rate. The sensitivity analysis includes financial assets at fair value through profit or loss and securities purchased under agreements to resell. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	Effect on Net income 2015 $'000	Effect on Net Income 2014 $'000
Currency:		
2015: + 1%, -15%	12,741	21,662
2014: + 1%, -10%	(191,121)	(216,621)

(ii) Cash flow and fair value Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds variable interest securities that expose the Fund to cash flow interest rate risk. The Fund's policy requires the Investment Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

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3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

The following tables summarise the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash at bank	542,336	-	-	-	-	-	542,336
Securities purchased under agreements to resell	137,803	1,310,075	-	-	-	2,627	1,450,505
Financial assets at fair value through profit or loss	1,616,772	682,085	-	38,638	-	126,852	2,464,347
Receivables	-	-	-	-	-	553,929	553,929
Financial assets	2,296,911	1,992,160	-	38,638	-	683,408	5,011,117
Liabilities							
Bank overdraft	82,258	-	-	-	-	-	82,258
Payables	-	-	-	-	-	2,141,250	2,141,250
Amount due to operators of hotel properties	-	-	-	-	-	62,536	62,536
Related parties	-	-	-	-	-	4,315	4,315
Financial liabilities	82,258	-	-	-	-	2,208,101	2,290,359
Total interest repricing gap	2,214,653	1,992,160	-	38,638	-	(1,524,693)	2,720,758
Cumulative interest repricing gap	2,214,653	4,206,813	4,206,813	4,245,451	4,245,451	2,720,758	

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2014:							
Assets							
Cash at bank	731,169	-	-	-	-	-	731,169
Securities purchased under agreements to resell	2,057,181	-	-	-	-	2,763	2,059,944
Financial assets at fair value through profit or loss	-	819,245	-	-	104,164	74,031	997,440
Receivables	-	-	-	-	-	598,012	598,012
Financial assets	2,788,350	819,245	-	-	-	674,806	4,386,565
Liabilities							
Bank overdraft	13,813	-	-	-	-	-	13,813
Due to hotel operators	-	-	-	-	-	38,872	38,872
Payables	-	-	-	-	-	1,096,069	1,096,069
Related parties	-	-	-	-	-	300,134	300,134
Financial liabilities	13,813	-	-	-	-	1,435,075	1,448,888
Total interest repricing gap	2,774,537	819,245	-	-	104,164	(760,269)	2,937,677
Cumulative interest repricing gap	2,774,537	3,593,782	3,593,782	3,593,782	3,697,946	2,937,677	

Sagicor Sigma Global Funds

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Fund's income or expenditure.

The sensitivity of net income is the effect of assumed changes in interest rates on variable interest securities impacting interest income and the fair value of fixed interest securities. The correlation of a number of variables will have an impact on market risk. It should be noted that movements in these variables are non-linear and are assessed individually.

	Effect on Net income 2015 $'000	Effect on Net income 2014 $'000
Change in basis points:		
J$ -100, US$ - 50 (2014 - J$ -100, US$ -50)	(17,320)	(7,855)
J$ +250, US$ +200 (2014 - J$ +250, US$ +200)	43,320	19,639

(e) Capital management

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net asset attributable to unit holders can change significantly at any point in time, as subscriptions and redemptions are at the discretion of the unit holders. The Fund managers objective when managing the Fund's capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.
In order to maintain or adjust the capital structure, the Fund managers policy is to perform the following:

(i) Review the level of subscriptions and redemptions relative to the assets it expects to be able to liquidate to meet the obligations of the Fund. The Fund managers also provide short term funding where the fund is unable to liquidate quickly.

(ii) The Fund managers and Trustee monitor capital on the basis of the value of net assets attributable to unit holders, this is done daily and where necessary actions are taken.

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4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Fund's accounting policies.

In the process of applying the Fund's accounting policies, management has made no significant judgements regarding the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Fund's accounting policies, management has made the following significant estimate on the amounts recognised in the financial statements:

(i) Investment properties and property, plant and equipment

The valuation of land and buildings involves a number of considerations and involves estimate and judgement such as current market rents for similar properties in the same location and condition. Were the valuations assumed to increase or decrease by 10% (2014 - 10%) from management's estimates, the carrying amount of investment properties and properties carried as property, plant and equipment would be an estimated $98,711,000 and $93,010,000 (2014 - $76,694,000 and $80,131,000) higher or lower, respectively.

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5. Expenses

Pursuant to an Arrangement dated April 25, 2014, all IPO and Administrative expenses accruing in respect of the operations of Sagicor Real Estate X Fund Limited (the Company) will be covered by Sagicor Sigma Real Estate Portfolio for a period of five years. Expenses covered by the Sagicor Sigma Real Estate Portfolio on behalf of Company were as follows:

	2015 $'000	2014 $'000
Bond issue costs	-	91,423
Auditors' remuneration	3,261	2,267
Directors' fees	11,130	10,815
Legal fees	-	29,393
Professional fees and other costs	15,155	4,604
	29,546	138,502

6. Cash and Cash Equivalents

Cash and cash equivalents comprises:

	2015 $'000	2014 $'000
Securities purchased under agreement to resell (with original maturity of less than 90 days)	1,450,505	2,059,944
Cash and bank	542,336	731,169
Bank overdraft	(82,258)	(13,813)
	1,910,583	2,777,300

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7. Securities Purchased under Agreements to Resell

The Fund entered into reverse repurchase agreements mainly collateralised by Government of Jamaica Securities. These agreements may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligation. Reverse repurchase agreements are entered into mainly with Sagicor Investments Jamaica Limited.

	2015 $'000	2014 $'000
Securities purchased under agreements to resell	1,447,878	2,057,181
Interest receivable	2,627	2,763
	1,450,505	2,059,944
Securities purchased under agreements to resell (with an original maturity of less 90 days) (Note 6)	1,450,505	2,059,944

As at 31 December 2015, the Fund held J$255,514,000 and US$9,934,000 (2014 - J$654,354,000 and US$12,288,000) mainly representing Government of Jamaica debt securities, as collateral for reverse repurchase agreements.

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8. Financial Assets at Fair Value through Profit or Loss

	2015 $'000	2014 $'000
Government of Jamaica securities -		
Indexed bonds	720,724	819,246
Corporate bonds	1,616,772	104,164
	2,337,496	923,410
Interest receivable	59,662	8,488
	2,397,158	931,898
Unit trust	67,189	65,542
	2,464,347	997,440

	2015 $'000	2014 $'000
Gains/(losses) recognised in relation to financial assets at fair value through profit or loss comprise:		
Realised gains	59,094	67,482
Unrealised (losses)/gains	(48,972)	33,148
	10,122	100,630

Included in corporate bonds are investments valued 2015 $1,148,288,000 (2014 - $Nil) that relates to a United States dollar Amortising Note that was issued by X Fund Properties Limited.

The Unit trust investment included above relates to units acquired in one or more of the Sagior Sigma Global Funds portfolios.

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9. Receivables

	2015 $'000	2014 $'000
Rental and service fees for investment properties		
Gross	257,221	289,555
Less: Provision for impairment	(204,790)	(207,839)
	52,431	81,716
Guest receivables		
Gross	470,238	463,290
Less: Provision for impairment	(1,572)	(2,204)
	468,666	461,086
Prepayments	133,880	168,763
GCT Recoverable	124	-
Other	32,833	55,206
	166,837	223,969
	687,934	776,771

10. Inventories

	2015 $'000	2014 $'000
Beverage	18,026	22,494
Food	44,466	48,904
Gift shop	19,665	19,752
Golf supplies	3,055	2,309
Guest supplies	55,649	23,807
Spa supplies	646	667
Other	129,653	105,908
	271,160	223,841

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11. Investment Properties

	Balance 1 January 2014	Additions/ Transfers	Fair value Movement	Carrying Value 31 December 2014	Additions/ Transfers/ Adjustments	Fair value Movement	Carrying Value 31 December 2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
R. Danny Williams Building	1,450,000	-	450,000	1,900,000	19,606	280,394	2,200,000
63-67 Knutsford Boulevard	1,100,000	46,301	36,186	1,182,487	(87,096)	204,609	1,300,000
Sagicor Industrial Park	940,000	-	94,000	1,034,000	6,474	113,526	1,154,000
Spanish Town Shopping Centre	73,200	-	6,800	80,000	-	6,600	86,600
Hagley Park Road	190,000	-	5,000	195,000	(195,000)	-	-
213 Marcus Garvey Drive	380,000	-	35,000	415,000	45,746	-35,746	425,000
Sagicor Montego Bay Commercial Centre	424,188	-	51,412	475,600	7,463	-133,063	350,000
Sagicor Freeport Commercial Centre	721,120	-	71,546	792,667	32,296	125,037	950,000
23-25 Seymour Avenue	355,000	-	17,000	372,000	1,467	41,533	415,000
Curatoe Hill – Clarendon	-	224,950	-	224,950	41,939	-36,889	230,000
Northern Estates	-	-	-	-	1,576,665	421,110	1,997,775
	5,633,509	271,251	766,944	6,671,704	1,449,561	987,110	9,108,375

Investment properties include land for development, office and industrial buildings and a shopping centre.

Rental income and repairs and maintenance expenditure in relation to investment properties are as follows:

	2015 $'000	2014 $'000
Rental income	546,753	501,557
Direct operating expenses	118,956	171,897

The properties above were valued by independent professional valuators on various dates in 2015 - August and December 2015 (2014 – November and December) who hold recognised relevant professional qualifications and have experience in the locations and categories of the investment property values.

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12. Property, Plant and Equipment

	Land & Buildings	Leasehold Improvement	Furniture and Equipment	Construction in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Cost -					
At 1 January 2014	7,841,891	34,039	2,841,789	118,954	10,836,673
Additions	226,177	-	167,757	496,219	890,153
Revaluation surplus	369,018	4,877	427,416	-	801,311
At 31 December 2014	8,437,086	38,916	3,436,962	615,173	12,528,137
Additions	-	-	45,023	572,620	617,643
Transfers	697,151	-	411,370	(1,108,521)	-
Revaluation surplus	444,736	162,503	322,856	-	930,096
At 31 December 2015	9,578,973	201,419	4,216,211	79,272	14,075,876
Accumulated Depreciation -					
At 1 January 2014	41,291	1,093	290,634	-	333,018
Charge for the year	44,000	902	309,994	-	354,896
At 31 December 2014	85,291	1,995	600,628	-	687,914
Charge for the year	87,628	647	330,301	-	418,576
At December 2015	172,919	2,642	930,929	-	1,106,490
Net Book Value					
31 December 2015	9,406,054	198,777	3,285,282	79,272	12,969,386
31 December 2014	8,351,795	36,921	2,836,334	615,173	11,840,223

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12. Property, Plant and Equipment (Continued)

A valuation of owner-managed hotel properties was carried out in 2015 by independent valuator on a market value basis. The revaluation resulted in $930,096,000 (2014 - $801,311,000) in excess of the carrying value. Property, plant and equipment include three hotel properties that were acquired from Sagicor Pooled Investment Funds Limited (Note 15).

If property, plant and equipment were stated on the historical cost basis, the amounts would be as follows:

	Land & Buildings 2015 $'000	Leasehold Improvements 2015 $'000	Furniture & Equipment 2015 $'000
Cost	7,232,820	36,173	2,537,900
Accumulated depreciation	(172,919)	(2,642)	(930,929)
Net book value	7,059,901	33,531	1,606,971

13. Payables

	2015 $'000	2014 $'000
Tenants deposits – investment properties	64,150	62,167
Trade	485,413	372,129
General Consumption Tax	62,611	61,728
Guest deposits	202,734	160,759
Due to franchisor	22,887	-
Due on investment property	1,020,242	-
Accruals	208,207	212,953
Other	156,080	163,906
	2,246,324	1,333,776

The amount relating to Due on investment property represents amounts owing on the purchase of investment property. Effective 1 June 2015, the Sigma Real Estate® Portfolio entered into an agreement with Rose Hall Development Limited to acquire Northern Estates property. The sale price is USD $13,500,000 payable in tranches over the period 2015 to 30 May 2017.

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14. Related Party Balances and Transactions

During the year ended 31 December 2013, the Fund entered into the following significant related party transactions with several of the Sagicor Pooled Investment Funds and Sagicor Life Jamaica Limited. The various Sagicor Pooled Investment Funds are managed by Sagicor Life Jamaica Limited (SLJL). The investments of these are held in the name of Sagicor Pooled Investment Funds Limited, a subsidiary of Sagicor Group Jamaica Limited, the immediate parent company of Sagicor Life Jamaica Limited, through a custody agreement. This company was established to undertake and perform the office and duties of trustees, custodian trustees, attorney or nominee of or for any pension scheme (or any pension or trust funds connected thereto) in respect to business carried on by SLJL as fund manager in the management and investment of pension funds and other trusts.

X Fund Properties Limited is a subsidiary of Sagicor Real Estate X Fund Limited which is an associated company of Sagicor Group Jamaica Limited.

The properties transferred are included in Notes 11 and 12. The properties were transferred into the Sigma Real Estate® Portfolio based on the carrying value in the PMREF at the respective date of transfer. The unit holders in PMREF obtained an equivalent value of units in the Sigma Real Estate® Portfolio in exchange for the transfer of these properties. All the units in the Sigma Real Estate Portfolio were held primarily by three of the Sagicor Pooled Investment Funds – mainly the PMREF at the date of transfer of the properties and at 31 December 2013.

In addition, management fees and trustee fees were paid to the fund managers and the Trustee respectively. These are disclosed in the statement of comprehensive income for each of the funds.

(a) Related party transactions

The following transactions were carried out with relates parties:

(i) Revenue and interest income -

	2015 $'000	2014 $'000
Revenue -		
Interest income	41,083	57,822

(ii) Administration expenses -

	2015 $'000	2014 $'000
Administration and other operating expenses -		
Management fees	306,081	232,860
Trustee fees	9,146	7,225
	315,227	240,085

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14. Related Party Balances and Transactions (Continued)

(b) Year-end balances arising from operations

Year-end balances arising from transactions in the normal course of business are as follows:

	2015 $'000	2014 $'000
(i) Cash and cash equivalents (Note 5)		
Sagicor Bank Jamaica Limited	237,313	276,709
Sagicor Investments Jamaica Limited	1,450,505	2,059,944
	1,687,818	2,336,653
(ii) Financial assets at fair value through profit or loss (Note 7)		
Corporate bonds -		
X Fund Properties Limited	1,148,288	-
Investment in units in other Sagicor Sigma Global Funds Portfolios	67,189	65,542
	1,215,475	65,542
(iii) Due from related parties -		
Sagicor Sigma Bond Portfolio	2,525	-
(iv) Due to related parties -		
Sagicor Life Jamaica Limited	2,958	300,134
X Fund Properties Limited	3,882	-
	6,840	300,134
	4,315	300,134

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15. Capital Reserve

This represents unrealised gains on revaluation on property, plant and equipment (Note 12).

	2015 $'000	2014 $'000
Opening balance	3,248,051	2,446,740
Revaluations	1,348,672	1,147,111
Depreciation transfer	(418,576)	(345,800)
Gain on revaluation	930,096	801,311
	4,178,147	3,248,051

16. Asset Value per Unit

(a) Number of units in issue:

	2015 No. '000	2014 No. '000
Issues	74,031	3,000,668
Encashment	(92,836)	(1,686,873)
Net encashment	(18,805)	1,313,795
At the beginning of the year	16,048,505	14,734,710
At the end of the year	16,029,700	16,048,505

(b) The net asset value (NAV) per unit is computed by dividing the net deposited property (or capital), by the number of units in issue. The NAV per unit changed during the year as follows:

	2015 $	2014 $
At the beginning of the year	1.37	1.23
Increase during the year, being 11.38% (31 December 2014 – 17.14%) of the NAV per unit at the ng of the year	0.19	0.14
At the end of the year	1.56	1.37

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17. Statement of Deposited Property

	31 December 2015		31 December 2014	
	Carrying Value $'000	% of portfolio	Carrying Value $'000	% of portfolio
Investments				
Securities purchased under agreements to resell	1,447,878	5.77	2,057,181	9.39
Interest receivable	2,627	0.01	2,763	0.01
	1,450,505	5.78	2,059,944	9.40
Government of Jamaica indexed bond	720,724	2.87	819,246	3.74
Corporate bond	1,616,772	6.44	104,164	0.48
	2,337,496	9.31	923,410	4.22
Interest receivable	59,662	0.24	8,488	0.04
	2,397,158	9.55	931,898	4.26
Unit trust	67,189	0.27	65,542	0.30
	2,464,347	9.82	997,440	4.56
Investment properties	9,108,375	36.29	6,671,704	30.45
Property, plant and equipment	12,969,386	51.68	11,840,223	54.05
Sundries				
Other assets less other liabilities	(895,846)	(3.57)	337,668	1.54
Total Deposited Property	25,096,767	100.00	21,906,979	100.00

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18. Fair Values of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument. The following methods and assumptions have been used:

(a) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(b) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(c) The fair value of unquoted equity is based on the valuation of shares held which included consideration of the underlying assets;

(d) The valuation techniques used to value financial instruments included in levels 2 and 3 include quoted market prices or dealer prices for similar instruments and discounted cash flow analysis.

The following tables provide an analysis of financial instruments that are measured in the statement of position at fair value at 31 December 2015 and 2014, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Fund is the current bid price;

(b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during the year.

The fair value measurement for financial assets at fair value through profit or loss included in the funds below is all recurring.

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18. Fair Values of Financial Instruments (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2015 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Indexed bonds	-	720,724	-	720,724
Corporate bonds	-	359,186	1,257,586	1,616,772
Unit Trust	-	67,189	-	67,189
	-	1,147,099	1,257,586	2,404,685
Recurring fair value measurements -				
Investment properties	-	-	9,108,375	9,108,375
Property, plant and equipment	-	-	12,969,386	12,969,386
	-	-	22,077,761	22,077,761

	Level 1 $'000	Level 2 $'000	Level 3 $'000	2014 $'000
Financial Assets				
Financial assets at fair value through profit or loss -				
Government of Jamaica securities -				
Indexed bonds	-	819,246	-	819,246
Corporate bonds	-	-	104,164	104,164
	-	819,246	104,164	923,410
Recurring fair value measurements -				
Investment properties	-	-	6,671,704	6,671,704
Property, plant and equipment	-	-	11,840,223	11,840,223
	-	-	18,511,927	18,511,927

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18. Fair Values of Financial Instruments (Continued)

Reconciliation of level 3 items –

	2015 $'000	2014 $'000
Balance at beginning of year	104,164	-
Purchases	1,148,288	104,164
Total gains – income or expenditure	5,134	-
Balance at end of year	1,257,586	104,164
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period.	5,134	-
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period.	5,134	-

	Investment Property 2015 $'000	Property, Plant and Equipment 2015 $'000	Investment Property 2014 $'000	Property, Plant and Equipment 2014 $'000
Balance at beginning of year	6,671,704	11,840,223	5,633,509	10,503,655
Additions net of disposals	1,449,561	617,643	271,251	890,153
Total gain– Income or expenditure	987,110	(418,576)	766,944	(354,896)
Total gain – other comprehensive income	-	930,096	-	801,311
Balance at end of year	9,108,375	12,969,386	6,671,704	11,840,223

In 2014, the fund transferred quoted equities from level 1 into level 2 and 3. This is because the even though the securities are quoted on a public stock exchange, their trading frequency is not active enough for it to be included in level 1.

Transfers from Level 1 to 2: Based on the frequency of trading around the valuation date (number and volume of trades) and the dispersion of traded (observable) pricing around the valuation date

Transfers from Level 1 to 3: Little to no trading activity is observable around the valuation date. Reliability of exchange pricing cannot be concluded upon with information available solely from the exchange.

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18. Fair Values of Financial Instruments (Continued)

The sensitivity analysis for Level 3 instruments are as follows:

Description	Fair value at 31December	Valuation Technique	Unobservable Inputs	Weighted average input	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
2015						
Corporate bonds	1,257,586	Last cost price	-	-	10%	1,25,759
Investment properties	9,108,375	Discounted cash flows	Rental growth	-	10%	910,838
Property, plant and equipment	12,969,386		Price per square metre	-	10%	1,296,939
2014						
Corporate bonds	104,164	Last cost price	-	-	10%	10,416
Investment properties	6,671,704	Discounted cash flows	Rental growth	-	10%	667,170
Property, plant and equipment	11,840,223		Price per square metre	-	10%	1,184,022

19. Statement of Transactions in Units

	2015 $'000	2014 $'000
Proceeds from sale	98,462	2,714,563
Less: Amount paid over to trustee	(98,462)	(2,714,563)
	-	-

	2015 $'000	2014 $'000
Value of units cancelled by clients	(123,471)	(1,037,427)
Units reissued	123,471	1,037,427
	-	-

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20. Maturity Analysis of Assets and Liabilities

	2015			2014		
	Current	Non-Current	Total	Current	Non-Current	Total
	$'000	$'000	$'000	$'000	$'000	$'000
ASSETS						
Financial assets at fair value through profit or loss	2,425,708	38,639	2,464,347	74,031	923,409	997,440
Receivables	687,934	-	687,934	766,771	-	766,771
Inventories	271,160	-	271,160	223,841	-	223,841
Securities purchased under agreements to resell	1,450,505	-	1,450,505	2,059,944	-	2,059,944
LIABILITIES						
Payables	1,826,224	420,100	2,246,324	1,033,642		1,033,642
Amounts due to operator of hotel properties	62,536	-	62,536	38,872	-	38,872
Due to related funds	4,315	-	4,315	300,134	-	300,134