




Sagicor

REAL ESTATE X FUND
**RIGHTS ISSUE
CIRCULAR**





Wise Financial Thinking for Life

REAL ESTATE X FUND

NON-RENOUNCEABLE RIGHTS ISSUE

CONTACT INFORMATION

Sagicor Investments 

Jermaine Deans

Senior Manager - Treasury,
Stockbrokerage & Capital Markets

>> jermaine_deans@sagicor.com
(876) 764 - 0319
(876)-929-5583, ext. 8941

Mischa McLeod-Hines

Manager - Corporate Finance &
Portfolio Structuring

>> mischa_mcleodhines@sagicor.com
(876) 764 - 0325
(876)-929-5583, ext. 8943

Co-Arranger

NCB Capital Markets
Herbert Hall
Manager Investment Banking
The Atrium, 32 Trafalgar Road,
Kingston 10

>> HallHL@JNCB.com
(876) 935-2238

Attorney-at-Law to the Company

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6
(876) 920-4000 / 618-2779

www.sagicorjamaica.com

This Rights Issue Circular (or the “Circular Letter”) AND ACCOMPANYING DOCUMENT(S) ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are advised to seek your own personal financial advice from your securities dealer, investment advisor, attorney-at-law, accountant, bank manager or other appropriate independent financial advisor who is authorized under the Securities Act of Jamaica to provide investment advice, if you are in Jamaica and, if not, from another appropriately authorized investment advisor.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares (other than ex-rights) before August 13, 2015, (the “**Ex-Rights Date**”) please send this document with the Provisional Allotment Letter, if and when received, at once to the purchaser or transferee or the securities dealer through whom the sale or transfer was effected for delivery to the purchaser or transferee except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities law. If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares (other than ex-rights) before the Ex-Rights Date, you should refer to the instruction regarding split applications in **Part 4 “Terms and Conditions of the Rights Issue”** of this Rights Issue Circular and in the Provisional Allotment Letter, if and when received.

This Rights Issue Circular is being issued only to existing stockholders of the Company on a non-renounceable basis and is not a Prospectus. It is not required to and has not been registered with the Registrar of Companies (Jamaica). The existing ordinary stock units of **Sagicor Real Estate X Fund Limited** (“the Company” or “X Fund”) are listed on the Jamaica Stock Exchange (“JSE”). Applications will be made for a supplemental listing of the new ordinary stock units to be likewise listed for trading on the JSE.

SAGICOR REAL ESTATE X FUND LIMITED

(Incorporated in St. Lucia)

Rights Issue of 598,134,700 New Ordinary Shares
on the basis of two (2) Ordinary Shares for every five (5) Ordinary stock units
at J\$6.95 per New Ordinary Share

Principal Financial Advisor & Arranger

Sagicor Investments Jamaica Limited
85 Hope Road
Kingston 6
Jamaica

Co-Arranger

NCB Capital Markets Limited
The Atrium, 32 Trafalgar Road
Kingston 10
Jamaica

Your attention is drawn to **Part 3 “Letter from the Chairman”** which is set out on pages 8 to 15 of this Circular Letter. You should read the whole of this Circular Letter, the Provisional Allotment Letter and the documents (or part thereof), if any, incorporated herein by reference. Shareholders contemplating a purchase of New Ordinary Shares should review the risk factors set out in **Part 5** entitled “**Risks Factors**” for a discussion of certain factors that should be considered when deciding what action to take in relation to the Rights Issue and deciding whether or not to purchase New Ordinary Shares.

The latest time for action:

- (a) **For acceptance and payment in full for the New Ordinary Shares provisionally allotted to shareholders is 4:30 p.m. on September 2, 2015;**
- (b) **For shareholders to purchase New Ordinary Shares from the Un-allocated Pool is 4.30 p.m. on September 2, 2015.**

Note that X Fund reserves the Right to extend the Closing Date or time if the Rights Issue is up-sized or for any other reason.

This Rights Issue is not underwritten. However the Sagicor Stockholders which in the aggregate hold 80% of the issued stock units of the Company have indicated that they are prepared to take up all of their provisionally allotted Rights.

This Rights Issue Circular is intended for use in connection with the Rights Issue only in Jamaica.

Shareholders should only rely on the information contained in this Rights Issue Circular and the documents (or parts thereof) incorporated herein by reference. In making an investment decision, each X Fund Shareholder must rely on his own examination, analysis and enquiry of X Fund and the terms of the Rights Issue, including the merits and risks involved. No person has been authorized to give any information or make any representations other than those in this Rights Issue Circular and the documents (or parts thereof) incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorised by X Fund or Sagicor Investments Jamaica Limited (“Sagicor Investments”). Neither the issue of this Rights Issue Circular nor any subscription for Shares made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of X Fund since the date of this Rights Issue Circular or that the information in this Rights Issue Circular is correct as at any time subsequent to its date.

Sagicor Investments accordingly disclaims to the fullest extent permitted by applicable law all and any responsibility and liability, whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Rights Issue Circular or any such statement.

None of X Fund or any of its various representatives, is making any representation to any shareholder regarding the legality of an investment in the New Ordinary Shares by such shareholder under the laws applicable to such shareholder. Each shareholder should consult with his or her own adviser as to the legal, tax, business, or financial implications of a purchase of the New Ordinary Shares. The Shareholders acknowledge that they have not relied on X Fund or any

person affiliated with Sagicor Investments in connection with any investigation or the accuracy of any information contained in this Circular Letter or their investment decision.

DATED: August 17, 2015

Notice to all investors

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS CIRCULAR LETTER IS NOT BEING MADE TO STOCKHOLDERS OR INVESTORS IN THE EXCLUDED TERRITORIES. This Circular Letter does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire Nil-Paid Rights, Fully Paid Rights or New Ordinary Shares offered by any person in any jurisdiction in which such an offer or solicitation is unlawful. The Nil-Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been and will not be registered under the relevant laws of any state, province or territory of any of the Excluded Territories and may not be offered, sold, taken up, exercised, renounced, resold, transferred or delivered, directly or indirectly, within any Excluded Territory except pursuant to an applicable exemption.

All Overseas Stockholders and any person (including, without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this Circular Letter or any Form, if and when received, or other document to a jurisdiction outside Jamaica, should read paragraph 12 of **Part 4** “**Terms and Conditions of the Rights Issue**” of this Circular Letter. Overseas Stockholders should also refer to **Part 13** “**Important Information**” section of this Circular Letter.

The Nil-Paid Rights and the Fully Paid Rights and the New Ordinary Shares are not transferable and the distribution of this Circular Letter is subject to, the restrictions set out in paragraphs 9 to 11 of **Part 4** “**Terms and Conditions of the Rights Issue**” of this Circular Letter.

General Notice

Nothing contained in this Circular Letter is intended to constitute investment, legal, tax, accounting or other professional advice. This Circular Letter is for your information only and nothing in this Circular Letter is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

The contents of the websites of Sagicor Group Jamaica Limited or of Sagicor Investments or any member of the Sagicor Group of Companies, the JSE or any other web site on which it may be posted do not form part of this Circular Letter.

Notice on Forward-looking Statements

This Rights Issue Circular may contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward looking statements. Forward-looking statements include statements preceded by, followed by or that include the words "may," "could," "would," "should," "believe," "expect," "anticipate," "plan," "estimate," "target," "project," "intend," "understand" or similar expressions and the negative of such words and expressions, although not all forward-looking statements contain such words or expressions.

Forward-looking statements are only predictions and are not guarantees of performance. These statements generally relate to our plans, objectives and expectations for future operations and are based on our beliefs and assumptions, which in turn are based on currently available information. These assumptions could prove inaccurate, which could cause actual results to differ materially from those contained in any forward-looking statement. Forward-looking statements also involve risks and uncertainties. Many of these factors are beyond our ability to control or predict and such incurrence could be material. Such factors include, but are not limited to, the following:

- (a) changes in regulatory, administrative or economic conditions affecting our industry;
- (b) risks associated with market demand for and liquidity of the Shares;
- (c) risks related to Jamaica's social, political and economic environment; and
- (d) the other factors discussed under **Part 5 "Risk Factors"** below.

Although we believe the forward-looking statements in this Rights Issue Circular are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Further, forward-looking statements speak only as of the date of this Rights Issue Circular and we do not undertake any obligation to update any such statements.

Table of Contents

PART 1 -	DEFINITIONS	1
PART 2 -	SUMMARY OF THE RIGHTS ISSUE	4
PART 3 -	LETTER FROM THE CHAIRMAN	8
PART 4 -	TERMS AND CONDITIONS OF THE RIGHTS ISSUE	16
PART 5 -	RISK FACTORS	19
PART 6 -	THE HOTEL	28
PART 7 -	ORLANDO, FLORIDA, USA	31
PART 8 -	INVESTMENTS IN REAL PROPERTY	35
PART 9 -	BOARD OF DIRECTORS	37
PART 10 -	SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT	39
PART 11 -	MANAGEMENT DISCUSSION & ANALYSIS	45
PART 12 -	ADDITIONAL INFORMATION	52
PART 13 -	IMPORTANT INFORMATION	57
PART 14 -	HOW TO APPLY FOR SHARES	59

PART 1 - DEFINITIONS

In this Circular Letter, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the Board of Directors of the Company;
“DPS”	Dividend per Share;
“EPS”	Earnings per Share;
“Excess Shares”	provisionally allotted shares which are not taken up by the Shareholders to whom they have been allotted;
“Excluded Territories”	United States of America, Canada and any other territory in which the distribution of this Rights Issue Circular would be a violation of any law;
“Existing Ordinary Shares”	existing ordinary stock units of J\$1.00 each in the capital of the Company;
“Fraction Shares”	whole Rights Shares representing the fractions excluded in the allocation of the Nil-paid Rights on a two (2) for five (5) basis due to indivisibility of a Shareholder’s holding by five (5);
“FSC”	the Financial Services Commission;
“Group”	the Company and its subsidiaries;
“IBC”	International Business Company;
“J\$”	Jamaican dollar, being the lawful currency of Jamaica;
“JSE”	Jamaica Stock Exchange;
“New Ordinary Shares”	the Rights Shares;
“Non-Qualifying Shareholders”	those Overseas Shareholder(s) whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to on account of legal restrictions under the laws of the relevant

PART 1 - DEFINITIONS (cont'd)

	jurisdiction or the requirements of the relevant regulatory body or stock exchange in such jurisdiction;
“Opening Date”	August 19, 2015 or other date on which the Rights Issue is opened for acceptance of allotment of shares;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) in the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Jamaica;
“PAL(s)”	the non-renounceable provisional allotment letter(s) proposed to be issued to Shareholders in connection with the Rights Issue;
“PAT”	profits after tax;
“PBT”	profits before tax;
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) are registered on the register of members of the Company as of the Record Date, other than Non-Qualifying Shareholder(s);
“Record Date”	August 17, 2015;
“Rights Issue”	the proposed issue by way of rights of two (2) Rights Shares for every five (5) stock units held by a Shareholder at the Record Date on the terms and conditions set out in this Circular Letter;
“Rights Shares”	New ordinary shares of the Company to be issued and allotted under the Rights Issue, being 598,134,700 New ordinary shares, sometimes called “Nil-Paid Rights” ;
“Sagicor Stockholders”	(i) Sagicor Pooled Diversified Investment Fund, (ii) Sagicor Pooled Mortgage & Real Estate Fund and (iii) SJL Trading A/C Sagicor Real Estate Fund;
“Shareholders”	the holders of issued Shares;
“Shares”	ordinary shares or stock units of J\$1.00 each in the capital of the Company;

PART 1 - DEFINITIONS (cont'd)

“ Un-allocated Pool ”	the aggregate of all Excess Shares and Fraction Shares; Up-sizing Shares may also be released into the un-allocated Pool;
“ Up-sizing Shares ”	a maximum of up to 149,533,675 New Ordinary Shares which may be released into the Un-allocated Pool to meet demand from shareholders;
“ US\$ ”	United States dollar, being the lawful currency of the United States of America;
“ X Fund Properties ”	X Fund Properties Limited, a subsidiary of the Company incorporated in Jamaica;
“ X Fund ” or “ the Company ”	Sagicor Real Estate X Fund Limited.

In this Rights Issue Circular, the singular includes the plural and *vice versa* and reference to any gender includes all other genders. This Circular is issued in Jamaica and references to “Overseas” is a reference to any place outside Jamaica.

PART 2 - SUMMARY OF THE RIGHTS ISSUE

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Circular Letter, including any Appendices.

Shareholders are advised to read the entire Circular Letter carefully before making an investment decision about this transaction. Each Shareholder's attention is specifically drawn to the **Risk Factors** in **Part 5** of this Circular Letter and the "**Notice to all Investors**" and the "**Forward Looking Statements**" at the beginning of this Circular Letter.

If you have any questions arising out of this document or if you require any explanations, you should consult your stockbroker, licensed investment adviser, attorney-at-law, accountant or other professional adviser.

This Rights Issue is made solely for the benefit of existing members of X Fund and Applications for Rights Shares by persons who are not members of X Fund as at the Record Date will not be accepted.

The Issue	:	Non-renounceable Rights Issue of 598,134,700 ordinary shares of J\$1.00 each ("Rights Shares") in the capital of X Fund on the basis of two (2) Rights Shares for every five (5) Existing Ordinary Shares held.
Issue Price	:	J\$6.95 per Rights Share.
Issuer	:	Sagicor Real Estate X Fund Limited ("X Fund" or "the Company").
Domicile and Legal Form of the Issuer	:	X Fund was incorporated as an IBC in Saint Lucia on May 31, 2011.
Method of Issue	:	Non-renounceable Rights Issue.
Share Capital	:	Authorised: (i) 5,000,000,000 ordinary shares; (ii) 1 Special Rights Redeemable Preference Share. Issued & fully paid: (i) 1,495,336,750 ordinary shares of J\$1.00 each; (ii) 1 Special Rights Redeemable Preference Share.

	To be issued by way of Rights:	598,134,700 ordinary shares of J\$1.00 each based on two (2) Rights Shares for every five (5) Existing Ordinary Shares held as at the Record Date.
How Payable	:	In full on acceptance.
Payment Currency	:	Jamaican dollars (J\$).
Rights Issue Capitalisation	:	J\$4,157,036,165
Record Date	:	August 17, 2015
Opening Date	:	August 19, 2015
Closing Date	:	September 2, 2015
Application for Excess Shares	:	Shares not taken up by Shareholders by the Closing Date will be allotted on a <i>pro rata</i> basis to Shareholder(s) who may apply for additional Shares over and above their provisional allotment. Accordingly Shareholders who do not take up their allotment in full may have their shareholding in the Company diluted.
Underwriting	:	The Rights Issue will not be underwritten.
Quotation	:	X Fund's entire issued ordinary share capital is listed on the JSE. An application will be made for the Rights Shares (issued pursuant to the Rights Issue) to be likewise listed on the JSE.
Indebtedness Statement	:	As at June 30, 2015, X Fund's consolidated indebtedness was J\$4,076,053,689 and US\$55,204,355.
Un-allocated Pool	:	Shares arising from excluded fractions (because the number of shares held by a shareholder cannot be divided by 5 without leaving a fraction ("Fraction Shares")) and shares not taken up by the shareholders to whom they are provisionally allotted ("Abandoned Shares") will fall into an Un-allocated Pool and may be purchased by any

PART 2 - SUMMARY OF THE RIGHTS ISSUE (Cont'd)

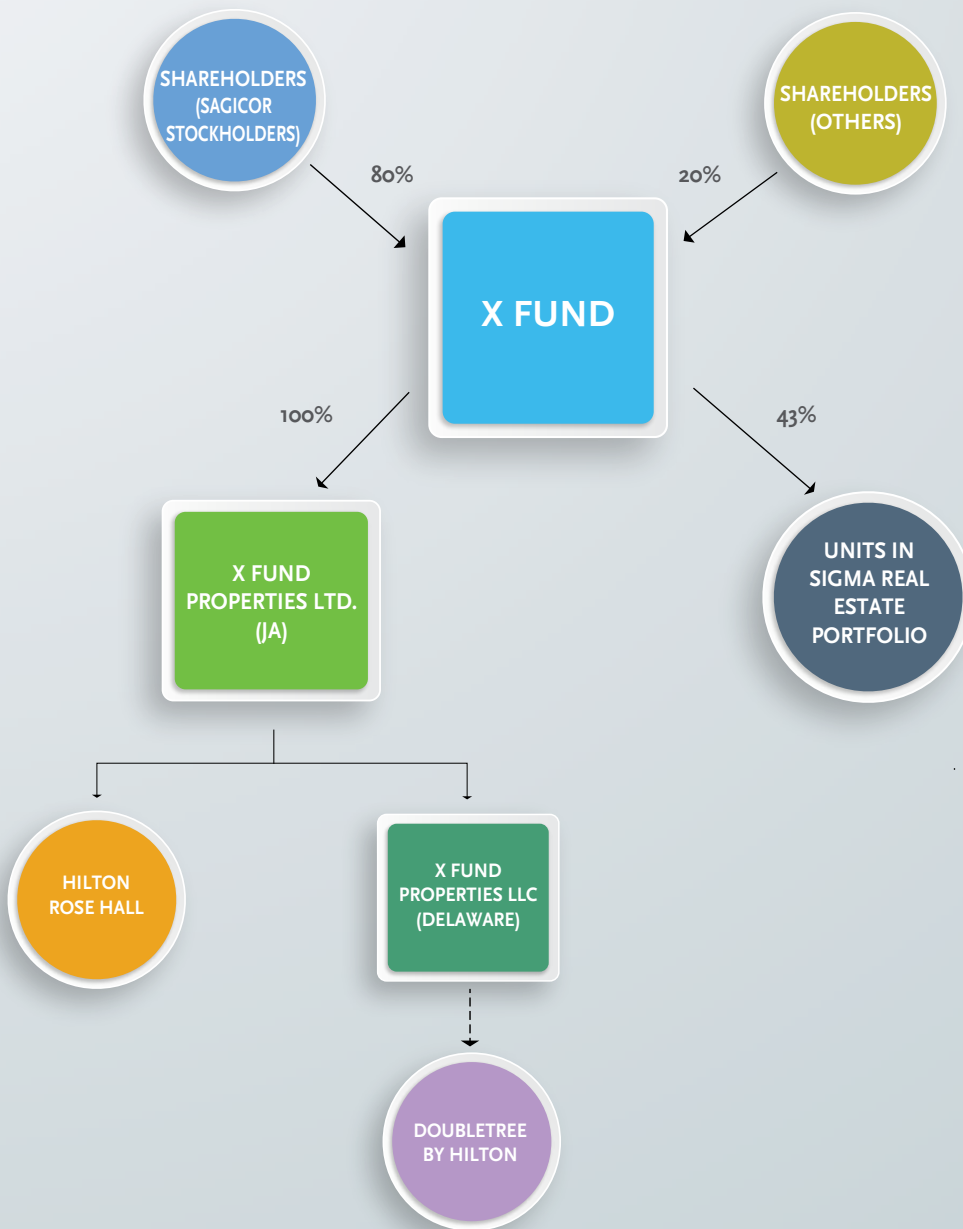
	shareholder at the Rights Issue Price of J\$6.95 per share;															
“Up-sizing”	: If shareholders’ demand for shares from the Un-allocate Pool exceeds the number of shares falling into the Pool from Fraction Shares and Abandoned Shares (see above) then the Company may release up to 149,533,675 additional shares (“Up-sizing Shares”) into the Un-allocated Pool.															
Financial Summary (Consolidated based on IFRS)	: <table border="0" style="margin-left: 20px;"> <tr> <td></td> <td style="text-align: right;">2014</td> <td style="text-align: right;">2013</td> </tr> <tr> <td>PBT (\$’000)</td> <td style="text-align: right;">940,383</td> <td style="text-align: right;">942,140</td> </tr> <tr> <td>PAT (\$’000)</td> <td style="text-align: right;">921,487</td> <td style="text-align: right;">942,141</td> </tr> <tr> <td>Total Assets (\$’000)</td> <td style="text-align: right;">14,218,913</td> <td style="text-align: right;">8,418,157</td> </tr> <tr> <td>EPS</td> <td style="text-align: right;">\$0.62</td> <td style="text-align: right;">\$0.63</td> </tr> </table>		2014	2013	PBT (\$’000)	940,383	942,140	PAT (\$’000)	921,487	942,141	Total Assets (\$’000)	14,218,913	8,418,157	EPS	\$0.62	\$0.63
	2014	2013														
PBT (\$’000)	940,383	942,140														
PAT (\$’000)	921,487	942,141														
Total Assets (\$’000)	14,218,913	8,418,157														
EPS	\$0.62	\$0.63														
Renunciation	: Not allowed. Rights Shares not taken up by Shareholders will fall into the Un-allocated Pool and be available for purchase at the Issue Price by other Shareholders.															
Dilution Resulting from Rights Issue	: Shareholders who do not take up their full entitlement to Rights Shares will have their proportionate shareholding in the Company diluted by approximately 28.57% if all the Rights Shares are taken up by other shareholders. If the Rights Issue is up-sized to the maximum (see “Up-sizing” above) the dilution factor would be 33 $\frac{1}{3}$ %.															
Claims & Litigation	: As at the date of this Circular Letter, neither X Fund nor its subsidiary, X Fund Properties Limited is involved in any litigation, arbitration or contentious dispute which could result in any litigation or arbitration.															
Governing Law	: Jamaican law															

KEY DATES

	ACTIVITY	DATE
1.	Notice of Board Meeting to Jamaica Stock Exchange	Monday, July 27, 2015
2.	Date of Board Meeting	Monday, August 03, 2015
3.	Notice to Jamaica Stock Exchange	Monday, August 03, 2015
4.	Ex Right Date	Thursday, August 13, 2015
5.	Record Date	Monday, August 17, 2015
6.	Opening Date	Wednesday, August 19, 2015
7.	Closing Date	Wednesday, September 02, 2015

PART 2 - SUMMARY OF THE RIGHTS ISSUE (Cont'd)

Group Structure after Completion of Acquisition



PART 3 - LETTER FROM THE CHAIRMAN

August 17, 2015

Dear Shareholder,

Two (2) for five (5) Non-Renounceable Rights issue at J\$6.95 per New Ordinary Share



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

Introduction

1. On 23rd July 2015 we announced our intention to make a Non-Renounceable Rights Issue. The aim of the Rights Issue is to raise approximately J\$4,157,036,165. The purpose of this letter is to set out the background to this Rights Issue and the reason for it. We will also explain why your Board believes the Rights Issue is, at this time, in the best interest of the Company and the shareholders, as a whole.

2. On June 25, 2015, the Company signed a Purchase Agreement with the owner of a 742-room hotel known as **DoubleTree by Hilton at the Entrance to Universal Studios, Orlando, Florida, USA** as a going concern, with all furniture, fixtures and equipment and operating supplies for a price of US\$75 million (subject to certain specified adjustments at Closing). As the name suggests, the Hotel is located at the entrance to the Universal Theme Park in Orlando and within easy reach of other well-known attractions such as Walt Disney World (15 minutes), Seaworld (12 minutes), Epcot Center (15 minutes), Blizzard Beach (16 minutes) and Wet n' Wild (4 minutes). The hotel is also within 5 minutes from the Orlando International Premium Outlet Mall; 10 minutes from the Orlando Convention Centre and 19 minutes from the Orlando International Airport.

3. Last year, Orlando set an all-time record for the US Travel Industry by attracting 62 million US and foreign visitors - some five (5) million more than New York City. Orlando is ranked as the 26th largest metro area in the United States with a gross domestic product (GDP) of US\$100 billion and a population of 2.1 million. It is projected to be one of the nation's fastest growing regions for the remainder of the decade. Well-known for tourism, it has emerged as a major industrial and high-tech centre with a technology industry valued at US\$13.4 billion and employing over 53,000 people. More than 150 international companies representing 20 countries maintain facilities in Metro Orlando. In 2014 Forbes recognized Orlando as the top city in the United States for job



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

growth with a growth rate of 3.7% in the first three quarters of 2014 - more than twice the national average.

4. Your Board is therefore excited about the prospects which this Hotel offers and are proud of the fact that Sagicor Life Jamaica Limited, as Manager of the Company was able to structure an offer which succeeded in a highly competitive bidding process.

Financing the Acquisition of the Hotel

5. The Company has made the initial deposit of US\$3,750,000.00 to bind the seller under the Purchase Agreement and, on or about July 24, 2015, a further payment of US\$3,750,000.00 was made. Your Board proposes to finance the acquisition of the Hotel by a mix of equity and debt with total debt of no more than US\$55 million and a debt to equity ratio of no more than 70:30. The Rights Issue comprises the equity element.

6. The debt element is intended to be a loan of up to US\$55 million to be secured by a non-recourse mortgage upon the Hotel and Related Assets. Negotiations are far advanced with the prospective US-based lender. The excess funds raised over and above the US\$75 million price tag will be applied to carry out certain general area upgrades.

The Rights Issue

7. The Company is offering 598,134,700 New Ordinary Shares by way of a Non-Renounceable Rights Issue at J\$6.95 per New Ordinary Share. The Rights Issue is not underwritten but the Sagicor Shareholders are prepared to take their 80% of the issue and reserve the right to purchase additional shares from the Un-allocated Pool. The Rights Issue is expected to raise approximately J\$4,157,036,165 The Issue Price represents a discount of approximately:

13.45% to the Closing Price on the JSE of the Company's Shares on July 31, 2015 (being the last trading day prior to the announcement of the Rights Issue)

18.24% to the highest price of J\$8.50 at which the Company's Shares have traded.

8. The Rights Issue will be made on the basis of:

Two (2) New Ordinary Shares for every five (5) Existing Ordinary Shares held by Shareholders at the close of

DIRECTORS

Richard O. Byles (Chairman) | Rohan Miller (CEO) | Dr. the Hon. R. Danny Williams | Michael Fraser | Peter Pearson | Vinay Walia | Dr. M. Patricia Downes-Grant | Stephen McNamara | MSCI Inc. (Company Secretary)

PART 3 - LETTER FROM THE CHAIRMAN (Cont'd)

business on the 17th day of August 2015 (“the Record Date”).

Entitlement to New Ordinary Shares will be rounded down to the next lowest whole number (or to zero in the case of Shareholders holding less than five (5) Existing Ordinary Shares) at the close of business on the Record Date.



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

9. Fractions arising from rounding down a Shareholder’s holding to the closest number divisible by (5) five will be aggregated and those Fraction Shares will fall into an Un-allocated Pool. Where a Shareholder does not subscribe for all the New Ordinary Shares provisionally allotted to him, the New Ordinary Shares not taken up will also go into the Un-allocated Pool.

10. Shareholders can purchase the New Ordinary Shares provisionally allocated to them as well as apply to purchase additional New Ordinary Shares from the Un-allocated Pool. If the number of Shares applied for from the Un-allocated Pool exceeds the number of Shares in the Pool then the Company will up-size the Issue by releasing additional shares (herein called “Up-sizing Shares”) up to a limit of 149,533,675) into the Un-allocated Pool. All shares in the Un-allocated Pool will be sold at J\$ 6.95 per share.

11. If the number of New Ordinary Shares applied for from the Un-allocated Pool (counting Up-sizing Shares) exceeds the number of Shares in the Un-allocated Pool then all valid applications will be scaled down *pro rata* according to the ratio which the total number of New Ordinary Shares in the Un-allocated bears to the number of New Ordinary Shares in the Un-allocated Pool which are applied for. Thus, by way of illustration, if the number of New Ordinary Shares in the Un-allocated Pool is 200,000,000 and the total number of New Ordinary Shares applied for by Shareholders from the Un-allocated Pool is 400,000,000 then each Shareholder who applied for New Ordinary Shares from the Un-allocated Pool would receive 50% of the New Ordinary Shares applied for from the Un-allocated Pool. Thus, if a Shareholder, call him Y, had applied for 100,000 New Ordinary Shares from the Un-allocated Pool he would receive only 50,000 New Ordinary Shares from the Un-allocated Pool as shown in the following calculation:

$\frac{\text{Total Number of Shares applied for by Y}}{\text{Total Number of Shares applied for by all Shareholders from Un-allocated Pool}}$	X	$\text{Total Number of Shares in Un-allocated Pool}$
---	---	--

DIRECTORS

Richard O. Byles (Chairman) | Rohan Miller (CEO) | Dr. the Hon. R. Danny Williams | Michael Fraser | Peter Pearson | Vinay Walia | Dr. M. Patricia Downes-Grant | Stephen McNamara | MSCI Inc. (Company Secretary)

PART 3 - LETTER FROM THE CHAIRMAN (Cont'd)

Using numbers in the illustration given above the calculation would be:

$$\frac{200,000,000}{400,000,000} \times 100,000 = 50,000$$



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

12. The Rights Issue is non-renounceable. That means only Shareholders as of the Record Date can benefit. In particular, the New Ordinary Shares to which a Shareholder is entitled will be provisionally allotted to him. A Shareholder cannot renounce or transfer his rights (that is his right to buy the New Ordinary Shares at the Issue Price) to a third party or to an existing Shareholder. This means that the Rights Issue is restricted to Shareholders on the Company's Register of Members on the Record Date (August 17, 2015).

13. By making the issue non-renounceable it means that non-shareholders will not be able to participate and the legal result of that is that this Rights Issue Circular Letter will not be treated as a prospectus and so will not need to be registered with the Registrar of Companies as a prospectus. In spite of the fact that the Rights Issue Circular Letter does not require registration as a prospectus, your Board has caused it to be prepared to the same standard as that which would apply if it had to be registered as a prospectus and a form of registration statement has been filed with the FSC for information purposes.

14. The Rights Issue, if successful, will result in an additional 598,134,700 New Ordinary Shares being issued (representing 40% of the existing issued share capital and 28.57% of the enlarged issued share capital immediately following completion of the Rights Issue). It means that if a Shareholder does not take up any of his provisionally allotted shares he will risk being diluted by 28.57% (if no additional Up-sizing Shares are released into the Un-allocated Pool to meet excess demand). If all the available Up-sizing Shares are released and taken up the total number of shares in issue would be 2,243,005,125 and the maximum dilution factor would be 33 $\frac{1}{3}$ %.

15. The Company intends to apply for supplemental listing of the New Ordinary Shares so that they may be traded on the main market of the Jamaica Stock Exchange as do the Existing Ordinary Shares at the present time. The New Ordinary Shares when issued will rank equally with the Existing Ordinary Shares in all respects, including the right to receive dividends and distributions (if any) made, paid or declared after the Closing Date of September 10, 2015.

DIRECTORS

Richard O. Byles (Chairman) | Rohan Miller (CEO) | Dr. the Hon. R. Danny Williams | Michael Fraser | Peter Pearson | Vinay Walia | Dr. M. Patricia Downes-Grant | Stephen McNamara | MSCI Inc. (Company Secretary)

PART 3 - LETTER FROM THE CHAIRMAN (Cont'd)



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

16. Further details of the terms and conditions of the Rights Issue are set out in **Part 4**. The procedure for acceptance and payment are set out in **Part 14** entitled “**How to Apply for Shares**”.

Current Trading Results and Prospects

17. X Fund generated earnings before interest, tax, depreciation and amortization charges (EBITDA) of J\$1.244 billion, a 203% increase over Q2 2014 EBITDA of J\$410 million. Consolidated net profit attributable to stockholders at Q2 2015 also reflected positive growth, closing the period with J\$687 million, a 67% improvement over 2014 net profit of J\$410 million. Total Assets increased by J\$6.97 billion to J\$21.19 billion at the end of June 2015. This 2015 asset growth of 49% reflects the acquisition of the Hilton Rose Hall Beach Resort & Spa as well as appreciation of units in the Sigma Real Estate Portfolio.

18. Both X Fund and Sigma Real Estate Portfolio continue to actively seek viable investments in tourism and commercial real estate. As world tourism rebounds, the Jamaican market has done well and we expect it to continue doing so for the remainder of 2015.

Dividend Policy

19. Your Board has adopted, as at May 11, 2015 a dividend policy of paying out up to 25% of net profits per annum and is subject to review by the Board.

20. In determining any proposed adjustment your Board will consider (amongst other things) the Company’s consolidated and expected future financial performance (including adjustments to earnings per share) its financial position (including the availability of sufficient distributable reserves), its debt service obligations, the economic environment and applicable regulatory and taxation issues and developments in the markets in which it operates.

Taxation

21. The grant of the Nil-Paid Rights to a Shareholder – that is to say the right to subscribe for his provisionally allotted New Ordinary Shares will not attract any income tax in Jamaica even though the Issue Price may be below the current trading price of the Existing Ordinary Shares. If the right is exercised, then it will not be taxable either – since gains or losses are only recognized when the Shares are sold. If a Shareholder does not take up his New Ordinary Shares, no gain or loss will be recognized for tax purposes.

DIRECTORS

Richard O. Byles (Chairman) | Rohan Miller (CEO) | Dr. the Hon. R. Danny Williams | Michael Fraser | Peter Pearson | Vinay Walia | Dr. M. Patricia Downes-Grant | Stephen McNamara | MSCI Inc. (Company Secretary)

PART 3 - LETTER FROM THE CHAIRMAN (Cont'd)



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

22. Neither the grant of the Nil-Paid Rights nor the issue of the New Ordinary Shares upon exercise of the rights will attract transfer tax or stamp duty. If a Shareholder exercises his rights and subscribes for New Ordinary Shares comprised in his provisional allotment or from the Un-allocated Pool, then if he is a trader in shares, such as a securities dealer trading for his own account, the profits realized on the sale – that is the difference between the Issue Price and the price at which the New Ordinary Shares are sold, will be treated as income and must be brought into the trader’s income tax computation. If the Shareholder is not a stock trader, then generally the “profit” on disposal would be a capital gain and would not be subject to tax in Jamaica.

Risk Factors

23. This Circular Letter contains at **Part 5** a detailed discussion of some of the risks associated with an investment in X Fund’s Shares at this time. You should consider fully and carefully these risk factors. They are not the only factors which may adversely affect the value of X Fund’s Shares.

Action to be taken

24. A Provisional Allotment Letter (“PAL”) accompanies this Circular Letter. The PAL gives details of your Nil-Paid Rights and incorporates a form of acceptance. Please read **Part 14** of this Rights Issue Circular Letter entitled “**How to Apply for Shares**”.

- (a) If you wish to apply for all of your provisionally allotted Shares, then you should simply sign the form and return it to Sagicor investment Jamaica Limited. If you wish to apply for some only of your provisionally allotted shares then complete the Provisional Allotment Form and insert in in Box 4 the number of New Ordinary Shares you wish to take up. If this Box is not completed and you return this Form, it will be presumed that you wish to take up all your provisionally allotted New Ordinary Shares.
- (b) If you apply for additional New Ordinary Shares from the Un-allocated Pool, then you should complete Box 5 by inserting the number of New Ordinary Shares you wish to purchase from the Un-allocated Pool.
- (c) Sign the Form and attach your cheque and return it to Sagicor Investments Jamaica Limited or the Jamaica Central Securities Depository.

DIRECTORS

Richard O. Byles (Chairman) | Rohan Miller (CEO) | Dr. the Hon. R. Danny Williams | Michael Fraser | Peter Pearson | Vinay Walia | Dr. M. Patricia Downes-Grant | Stephen McNamara | MSCI Inc. (Company Secretary)

PART 3 - LETTER FROM THE CHAIRMAN (Cont'd)

If you do not wish to take up any New Ordinary Shares from your provisional allotment, then you need not do anything with the Form.

Timetable for Response

25. Unless X Fund notifies Shareholders of a date through publication of a supplementary Rights Issue Letter or by Press Announcement, published on its website, the latest date for:

- (a) Acceptance of Rights and Return of your Provisional Allotment Letter will be 4.30 p.m. on September 2, 2015;
- (b) Receipt of Application for Additional Shares from the Un-allocated Pool will be 4.30 p.m. on September 2, 2015.

The Company may extend the closing date if Up-sizing Shares are released into the Un-allocated Pool and it is considered necessary to grant more time to facilitate further shareholder participation. The procedure for delivery of Acceptance of provisionally allotted Shares and Application for additional Shares from the Un-allocated Pool is set out in **Part 14**.

Settlement

26. Shareholders who validly take up their New Ordinary Shares or are allotted Shares upon application from the Un-allocated Pool will be issued New Ordinary Shares in certificated form. Such certificates will be sent by registered post to the address of the Shareholder in the Register of Members or such other address as may be otherwise notified to the Company no later than two weeks after close of the Rights Issue or such later date as may be notified by the Company through an announcement or publication of a Notice to Shareholders.

27. Shareholders whose shareholdings are held in the Jamaica Central Securities Depository ("JCSD") will have their JCSD Account updated by adding to their holding the New Ordinary Shares purchased and allotted to them.

28. No separate receipt will be issued by the Company for payment received.

Intention of Major Shareholders regarding the Rights Issue

29. Sagicor Pooled Diversified Investment Fund (48.21%), Sagicor Pooled Mortgage & Real Estate Fund (19.19%); and SLJ Trading A/C Sagicor Real Estate Fund (12.30%) are fully supportive of the Rights Issue and have indicated that they intend to take up their rights in full and



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
 20 Micoud Street,
 P.O. Box 189
 Castries
 St. Lucia
 Tel: (758) 452-2662
 Fax: (758) 458-0007

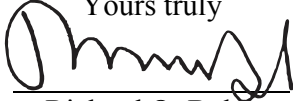
PART 3 - LETTER FROM THE CHAIRMAN (Cont'd)

reserves the right to apply for additional shares from the Un-allocated Pool if other shareholders fail to take up such shares.



REAL ESTATE X FUND

Sagicor
Real Estate X Fund Limited
20 Micoud Street,
P.O. Box 189
Castries
St. Lucia
Tel: (758) 452-2662
Fax: (758) 458-0007

Yours truly

Richard O. Byles
Chairman

DIRECTORS

Richard O. Byles (Chairman) | Rohan Miller (CEO) | Dr. the Hon. R. Danny Williams | Michael Fraser | Peter Pearson | Vinay Walia | Dr. M. Patricia Downes-Grant | Stephen McNamara | MSCI Inc. (Company Secretary)

PART 4 - TERMS AND CONDITIONS OF THE RIGHTS ISSUE

Introduction

1. The Company is proposing to raise approximately J\$ 4,157,036,165 (gross) by way of a non-renounceable Rights Issue of 598,134,700 Shares (“the Rights Shares”). The Rights Shares are offered by way of Nil-Paid Rights, at J\$6.95 per Share to Qualifying Shareholders, payable in full on acceptance on the basis of:

Two (2) Rights Shares for every five (5) Existing Ordinary Shares held on the Record Date (and so in proportion for any other number of Existing Ordinary Shares then held) and otherwise on the terms and conditions set out in this Circular Letter and the Provisional Allotment Letter (“PAL”). Thus, by way of illustration if you are a Qualifying Shareholder with 10,260 Shares you would be provisionally allocated 4,104 Rights Shares as shown in the calculation below

$$\frac{10,260}{5} \times 2 = 4,104$$

2. The fractional elements which do not qualify you for an additional Rights Share (because it falls below 5 or when divided by 5 it results in a fraction) will along with the other Fractional Share elements be pooled and those shares (called “Fraction Shares”) will fall into the Un-allocated Pool.

3. “Nil-Paid Rights” means that you will receive the right to subscribe for the Rights Shares personally allotted to you “free of cost”. In order to get the Rights Shares you will have to pay for them at J\$6.95 per Rights Share.

4. You may participate in the Rights Issue in two ways.

- (a) First, you may accept the Rights Shares which have been provisionally allotted to you. See **How to Apply for Shares** at **Part 14** below.
- (b) Secondly, you may apply for additional Shares in the Un-allocated Pool. These Shares are being sold at the same price per Share (i.e. J\$6.95) as the Rights Shares which have been provisionally allotted to you.

Un-allocated Pool

5. A total of 598,134,700 Shares are included in the Rights Issue. Each Shareholder will receive the right to subscribe for two (2) Rights Shares for every five (5) Existing Ordinary Shares which he holds at the Record Date. This means that in the process of “rounding down” (because the number of Shares which you may have cannot when divided by 5 produce a number without a fraction) some Rights Shares may not be provisionally allotted to Shareholders. These are called “Fraction Shares”.

6. Secondly, a shareholder may choose to not take up and pay for any or all of the Rights Shares allotted to him. These Shares are called “Abandoned Shares”.

7. Abandoned Shares and Fraction Shares will go into a pool called the Un-allocated Pool. Shareholders may apply for additional Rights Shares from the Un-allocated Pool. Note that the price for these Rights Shares is the same as for the Rights Shares provisionally allotted to Shareholders.

8. If applications are received for Shares in the Un-allocated Pool in excess of the number of Shares in the Pool then the Shares will be allotted from the Un-allocated Pool *pro rata* based on the relative number of New Ordinary Shares which you applied for from the Un-allocated Pool compared to the total number of New Ordinary Shares (including yours) for which applications were received in the Un-allocated Pool. The arithmetic formula for allocation in the event of over-subscription would be as follows:

$$\text{No. of Shares in Un-allocated Pool} \times \frac{\text{No. of Shares in Un-allocated Pool applied for by individual Shareholder}}{\text{No. of Shares in Un-allocated Pool applied for by all Shareholders}} = Y$$

“Y” in that equation is the number of New Ordinary Shares from the Un-allocated Pool which would be allocated to the particular Shareholder. The above formula ensures that in the event of over-subscription all Shareholders’ allotments from the Un-allocated Pool would be scaled down by the same proportion.

Non-Renunciation

9. The Rights Issue is non-renounceable. That means that you cannot transfer your Nil-Paid Rights to another person; even to another Shareholder. That is why you are given the right to apply for more Shares from the Un-allocated Pool if you wish.

10. By making the Rights Issue non-renounceable it will not concern the public. By section 26 of the Securities Act of Jamaica an issuer is required to be registered in respect of an issue of securities to the public. Because this rights issue is restricted to members of the Company the Rights Shares will not be treated as issued to the “public” and accordingly the Company is not required to be registered in respect of this rights issue. In addition, by section 372(10) of the Companies Act, 2004 (Jamaica) this Rights Issue Circular Letter is not required to be registered as a prospectus with the Registrar of Companies under the Companies Act, 2004 (Jamaica).

11. Qualifying Shareholders who do not take up their rights in the Rights Shares provisionally allotted to them could have their proportionate shareholding in X Fund diluted by up to 28.57% and by up to 33⅓% if the maximum number of Up-sizing Shares is released into the Un-allocated Pool to meet demand. Qualifying Shareholders who take their Rights Shares in full subject to “rounding down” will have the same proportionate voting and distribution rights as held by them at the close of business on the Record Date.

PART 4 - TERMS AND CONDITIONS OF THE RIGHTS ISSUE (Cont'd)

Overseas Shareholders

12. The attention of Overseas Shareholders or any Person (including without limitation custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Circular Letter and the PAL to a jurisdiction other than Jamaica should take legal advice before doing so. The Rights Issue is not being made in any jurisdiction where the extension of the Rights Issue would breach any applicable law. For this reason Shareholders with a registered address in an Excluded Territory are not being sent this Circular Letter or PAL.

Supplementary Listing

13. Applications will be made to the JSE for the Rights Shares taken up by Shareholders, whether through their provisional allotment or by purchase out of the Un-allocated Pool, to be listed for trading on the JSE. It is expected, though not warranted, that such listing will occur by September 30, 2015 and that dealing in those shares will commence by that date.

Status of Rights Shares

14. The Rights Shares, when issued and fully paid will rank in all respects, with the Existing Ordinary Shares of the Company including as respects:

- (a) the right to receive dividends and other distributions made, paid or declared after the closing date of September 2, 2015; and
- (b) the right to vote at a general meeting of the Company.

There will be no restriction on the free transferability of the Rights Shares when issued and fully paid. The legal rights attaching to the Rights Shares will be governed by the Company's Articles of Association.

Documents sent via Post

15. All documents (including this Circular Letter and the accompanying PAL, acceptances, cheques and certificates) sent by post to you or by you to us or to any of our agents are posted at your own risk. The accidental omission by the Company to dispatch a Circular Letter and/or PAL or the non-receipt of a Circular Letter and/or PAL by a Shareholder shall not be actionable by such Shareholder.

PART 5 - RISK FACTORS

5.1 In addition to other information set forth in this Rights Issue Circular, Shareholders should, before taking up any of their Rights carefully consider the risks described below. These risks are not the only ones facing Shareholders. Additional risks not presently known to the Directors or that the Directors may presently consider to be immaterial may also impair X Fund's operations.

5.2 This Rights Issue Circular also contains forward-looking statements that involve risks and uncertainties. X Fund's actual results could differ materially from those anticipated as a result of certain factors, including the risks faced by X Fund described below and elsewhere in this Circular.

(i) **Ordinary Stock Price Fluctuations**

5.3 The trading price of the Shares may fluctuate significantly after the Rights Issue and may continue to do so in the future. Some of the reasons for fluctuations in the price of the Shares include but are not limited to:

- announcements of developments relating to X Fund's business;
- the issue of additional Shares by X Fund from time to time;
- announcements concerning the Properties;
- announcements concerning Sagicor Sigma Global Funds in general Sigma Real Estate Portfolio in particular;
- general conditions in the economy, the real estate market, and the markets served by any of the major tenants;
- substantial loss or damage to, or interruption in the operation of, any of the properties by hurricane, fire and other natural disasters;
- changes in the law regarding several matters including but not limited to taxation, rights of landlords and tenants, planning and the environment.

In addition, prices on JSE may be particularly subject to volatility. In many cases, the fluctuations may be unrelated to the operating performance of the affected companies. As a result, the price of the Shares could fluctuate in the future without regard to operating performance.

(ii) **Changes in Government Policies**

5.4 The Government of Jamaica may from time to time affect macroeconomic conditions through fiscal and monetary policies, which may have an adverse impact on the real estate market, the stock market and the performance of X Fund.

PART 5 - RISK FACTORS (Cont'd)

(iii) **Risks relating to Marketability of the Shares**

5.5 The Shares, though listed on the JSE, may not be readily saleable and shareholders who may want to “cash-out” may not be able to do so or may only be able to do so at a discount.

(iv) **Risks of hurricane, fire and other Acts of God**

5.6 Material events affecting the Properties could also impact on X Fund’s performance and operating results. The Properties are susceptible to loss or damage by fire, hurricane, earthquake, flood and other perils. Although Sigma Real Estate Portfolio and X Fund Properties Limited intend to maintain insurance on the Properties against such perils there are numerous factors which could expose Sigma Real Estate Portfolio, Hilton Rose Hall Beach Resort & Spa or DoubleTree, Orlando to loss as a result of a fire, hurricane or other such peril. For instance:

- (a) the insurers could delay settlement or deny liability in respect of a claim for a variety of reasons and even if Sigma Real Estate Portfolio, X Fund Properties Limited (in respect of Hilton Rose Hall Beach Resort & Spa) and X Fund Properties LLC (in respect of DoubleTree) were to ultimately prevail, such delay could prevent the repair or reinstatement of the Property with consequential loss of income and exposure to increased costs of repairs or reinstatement;
- (b) an insurer or reinsurer could become insolvent or otherwise be unable to respond to a loss under the policy of insurance;
- (c) loss of rent or loss of profits may not be covered under the insurance policy; or
- (d) after a loss, a sitting tenant may elect to relocate to other premises or to close operations in the leased premises and Sigma Real Estate Portfolio may be unable to promptly find a suitable replacement tenant.

(v) **Taxation Risks**

5.7 The transaction model is tax sensitive. Changes in tax treatment of:

- (a) international business companies in Saint Lucia;
- (b) unit trusts in Jamaica;
- (c) companies listed on the JSE;
- (d) X Fund Properties LLC, under relevant Federal and State tax regimes; or
- (e) DoubleTree’s operations,

could materially affect the profitability of X Fund. Increase in property taxes or the introduction of any new tax on companies generally or on rental properties or hotels could also reduce X Fund’s profit margin.

PART 5 - RISK FACTORS (Cont'd)

(vi) **Foreign Currency Risk**

5.8 Although a few leases provide for rent to be paid in United States dollars, as a general rule rent is payable in Jamaican dollars under the leases relating to the Properties (other than the Hotels). Certain costs such as insurance and refurbishing costs as respects imported materials such as carpets and elevators may be increased as a result of devaluation of the Jamaican dollar relative to the United States dollar and other foreign currencies. Accordingly, Sigma Real Estate Portfolio is exposed to the risk that the value of the future cash flows from rental income may fluctuate because of changes in foreign exchange rates. Sigma Real Estate Portfolio does not, at this point, hedge its foreign exchange risks and it has no current plans to do so. The hotels will earn a substantial part of their revenues in foreign currency and that should ameliorate some of the foreign exchange exposure.

(vii) **Operational Risks**

5.9 In the execution of its business functions X Fund is exposed to operational risks arising from failures in systems and the processes through which it operates. Critical areas of operational risks include:

- (a) employee errors- such as failure to renew insurance or to insure for the appropriate value;
- (b) accounting errors, data entry errors; and
- (c) fraud (internal and external) or other criminal activity.

Under the Property Management Agreement between Sagicor Property Services Limited (“Sagicor Property”) and Sagicor Life Jamaica Limited (“Sagicor Jamaica”) (in its capacity as managing agent for Sigma Real Estate Portfolio), Sagicor Property is required to indemnify Sigma Real Estate Portfolio against loss or damage caused by the gross negligence; willful default or fraud of Sagicor Property or any of its employees or agents in the performance of their duties or functions. Sagicor Property seeks to eliminate such risks by maintaining a comprehensive system of internal controls and administrative checks and balances to monitor transactions supported by a robust internal auditing capability. It also maintains an off-site data repository which will enable it to continue operations in the event of catastrophe affecting its operating location.

(viii) **Lessees’ Risks**

5.10 Although Sagicor Property has taken care to select reputable tenants for the Properties nevertheless changes in the business fortune of a tenant could affect a tenant’s creditworthiness and business practices. Rental income to Sigma Real Estate Portfolio could therefore be affected by counter-party risk under the relevant leases - that is to say the risk that a tenant may be unable or unwilling to pay its rent on the due date. That risk has been ameliorated somewhat by requiring tenants to place a security deposit with Sagicor Sigma Real Estate Portfolio – typically one month’s rent and in a few cases, two months’.

PART 5 - RISK FACTORS (Cont'd)

(ix) **Sagicor Jamaica's Control of X FUND**

5.11 Sagicor Jamaica as the promoter of X Fund has retained control of X Fund through the Special Share which it holds in trust pursuant to a Declaration of Trust dated October 21, 2013 on behalf Sagicor Pooled Investment Funds Limited. This is designed to ensure that X Fund is managed and its assets invested in the manner contemplated herein. Nevertheless Sagicor Jamaica's significant influence with respect to the election of directors and approval and disapproval of significant corporate matters may be perceived as adverse to the interest of the other stockholders.

(x) **Thin market in Company's Shares**

5.12 The Jamaican stock market is relatively small and the market in X Fund's Shares is relatively thin compared to larger capital markets. That means that trades in small quantities of X Fund's Shares can trigger wide swings (up or down) in the market price of the Shares and make it easier for the stock price to be manipulated.

(xi) **Sale of substantial block of Shares may cause market price to decline**

5.13 If the Rights Issue is fully subscribed then Sagicor Shareholders would continue to hold a significant block. They customarily act in concert and are not restricted in the manner or timing of the disposal of any of their Shares. It is possible that relatively large blocks of Shares may be acquired by pension funds and institutional investors. A sale of a substantial block of Shares by any one or more shareholders may cause the market price of the Shares to materially decline.

(xii) **The Special Share held by Sagicor Jamaica will deter take-over bids.**

5.14 The fact that Sagicor Jamaica holds the Special Share which gives it control over the election of Directors and other key corporate decisions will make it unlikely that any investor other than Sagicor Jamaica or entities affiliated to Sagicor Jamaica would bid for control of X Fund. Such bid if made would usually be expected to be at a premium above the prevailing trading price of the Shares. Accordingly, the likelihood of stockholders receiving a take-over bid is reduced, perhaps significantly.

(xiii) **Fluctuation of Property Value**

5.15 Movement in the market value of the Properties will be reflected in the value of the Shares. Property values may fall for a variety of reasons, including but not limited to, change in government policy or taxation; fall in demand for rentable office and warehouse space (due to an economic downturn or other factors triggering a reduction in demand for rentable office and warehouse space) and construction of new and more modern offices and warehouse facilities.

(xiv) **Changes in the law or regulation affecting Unit Trusts**

5.16 The Shares will derive a substantial part of their value from the units in the Sigma Real Estate Portfolio. Any change in the law or regulation which impacts (whether adversely or positively on unit trusts) will, most likely, "feed" through to the value of the Shares.

PART 5 - RISK FACTORS (Cont'd)

(xv) **Lack of Diversification**

5.17 The Sigma Real Estate Portfolio is a non-diversified portfolio within the Sagicor Sigma Global Funds. The lack of diversification means that the Portfolio is particularly exposed to risks affecting the property market. A level of diversification will be provided with the acquisition of the DoubleTree by Hilton in Orlando.

(xvi) **Insurance Program**

5.18 X Fund participates in a comprehensive insurance programme arranged for the benefit of the Sagicor group of companies in Jamaica. That insurance programme was renewed effective May 1, 2015 for one year and all premiums have been paid by participating insureds. In the opinion of the Directors the properties owned by the Sigma Real Estate Portfolio and X Fund are adequately insured under that Programme. The principal policy is a Commercial All Risks Policy, with a sum insured among all group companies of US\$ 330,797,277, structured as follows:

- (a) US\$135 million, all perils; and
- (b) US\$ 195 million in excess of US\$135 million, all perils (except wind and wind driven water).

The building, structures, fixtures and fittings on the properties listed at paragraph 8.2 of Part 8 are insured for a global sum of US\$ 64.9 million. The four Jamaica hotels are insured for the following sum insureds:

<i>Hotel</i>	<i>Property (US\$)</i>	<i>Consequential Loss (US\$)</i>
<i>Jewel Dunn's River</i>	57,323,244	5,000,000
<i>Jewel Runaway Bay</i>	48,138,188	4,000,000
<i>Jewel Paradise Cove</i>	38,443,548	3,000,000
<i>Hilton Rose Hall</i>	114,500,000	10,000,000

The insurance is “fronted” by Sagicor Reinsurance Limited (“Sagicor Re”), a captive insurer for the Sagicor Group registered in the Cayman Islands. With the exception of a US\$1million catastrophe deductible retained by Sagicor Re all the risk is reinsured in the London Market with insurers and underwriters which are described by the Company’s broker as “A” rated. The catastrophe perils (i.e. hurricane, earthquake and volcanic eruption) excess borne by the insureds under the first layer retained by Sagicor Re is 2% of the declared value subject to a minimum of US\$50,000 in respect of each hotel and a maximum of US\$1,000,000 in respect of all locations any one occurrence for property damage and business interruption loss. For all other perils such as fire, riot, strike and malicious damage the deductible is US\$10,000 for each and very loss.

Average, whereby a claim for loss is reduced proportionately if the property is under-insured, does not apply to the insurance unless the sum insured is less than 85% of the value at risk at the time of the loss. Insurance for consequential loss or loss of rent following property damage has

PART 5 - RISK FACTORS (Cont'd)

been effected in respect of the hotels and rentable properties for an indemnity period of one year. Accordingly, in the event of loss or damage to any of the other properties by fire or other peril although rent or booking revenues would cease the gap should be filled (in whole or in part) by business interruption insurance proceeds.

Major machinery such as elevators are covered against machinery breakdown risks subject to a deductible of US\$2,500.00 except for one insurer which has imposed a deductible of US\$10,000.00. Other risks which are covered under the programme include public liability (J\$7.5 million any one claim, J\$15 million in the aggregate any one occurrence and employer's liability (J\$20 million (any one claim; any one period of insurance). Both the public liability and employer's liability risks are further covered by excess general liability cover up to a further US\$1 million. Computer and electronic equipment are covered against customary risks and loss of money at the hands of dishonest employees is covered under a fidelity guarantee policy.

In spite of the care taken ensure adequate insurance of the assets of, and the risks facing, the Company loss by insured perils could adversely affect revenues and in turn the financial performance of X Fund. In addition, one or more of the insurers and underwriters under the insurance programme may become insolvent and unable to meet its obligations in the event of a claim or could delay settlement to the detriment of the Company. In the case of a major damage event the period of interruption could exceed the indemnity period of one year and the insurance proceeds recovered could, for various reasons, fall short of the reinstatement costs to restore the damaged facility.

(xvii) **Related Party & Potential Conflict of Interest**

5.19 X Fund will be managed by Sagicor Jamaica. Sagicor Jamaica is also providing investment management services to the Sigma Real Estate Portfolio and, along with its subsidiary, Sagicor Pooled Investment Funds Limited are substantial investors in X Fund. In spite of the multiple roles which Sagicor Jamaica will play, the interests of the various parties are generally aligned. Notwithstanding that the parties all share common interest in the success of X Fund it is possible that conflicts of interest would arise in the day-to-day operation of X Fund.

5.20 Sagicor Group Jamaica Limited ("Sagicor Group"), as the holding company for the Sagicor group of companies in Jamaica has a robust Corporate Governance and Ethics Committee comprised of non-executive directors. X Fund is an affiliate of the Sagicor Group and is not consolidated for financial reporting purposes. That Committee is charged with the duty of ensuring adherence to best practice standards of corporate governance and ethics within the Group. This Board Committee, among other things, reviews related party transactions and monitors conflict of interest situations to ensure that all such transactions are carried out on an arm's length basis with the utmost integrity. In addition, X Fund's Board has appointed its own 3-man audit committee consisting of two independent accountants, one of whom, a former partner of PricewaterhouseCoopers, is chairman of the Committee. This Committee also monitors and reviews related party transactions and other potential conflict of interest scenarios to ensure strict compliance with best practice benchmarks.

PART 5 - RISK FACTORS (Cont'd)

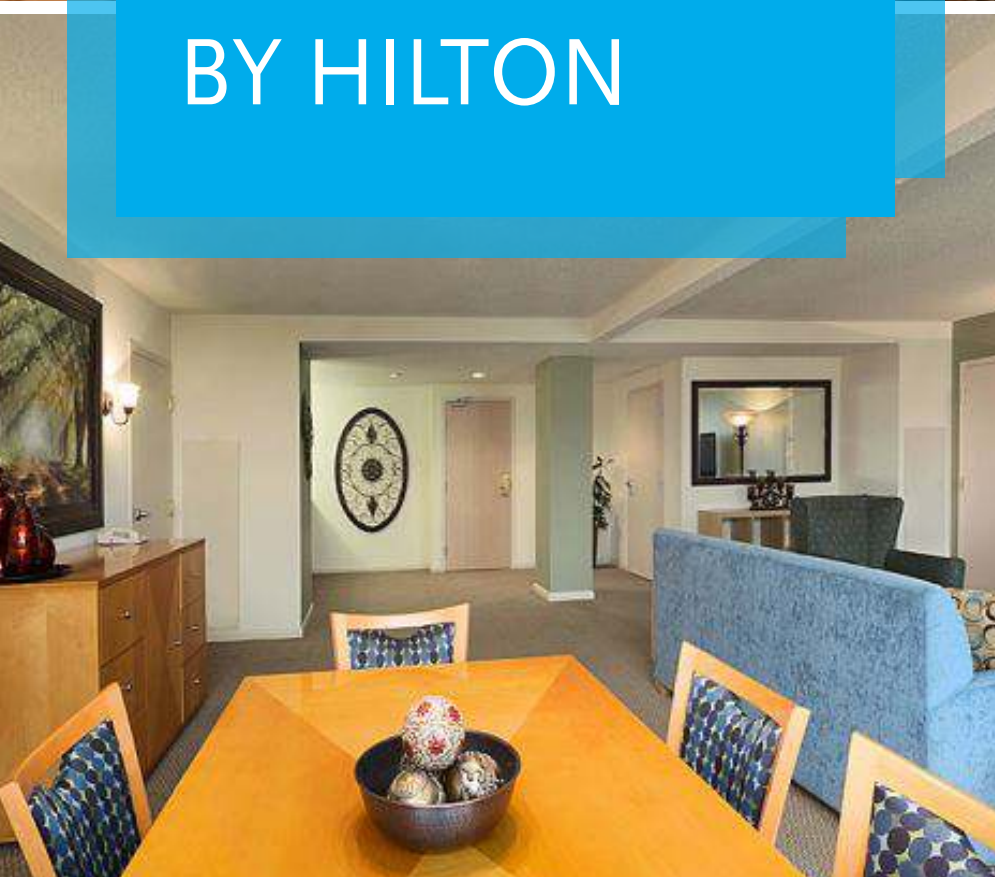
(xviii) **Risk Management**

5.21 Sagicor Jamaica's goal in risk management is to ensure that it understands, measures, and monitors the various risks that arise and that it adheres strictly to the policies and procedures, which are established to address these potential risks.

5.22 The Board of Directors of X Fund is ultimately responsible for the risk management policies of X Fund. Sagicor Jamaica is required by the Management and Administrative Services Agreement, on a day-to-day basis, to identify, assess, monitor and manage all principal risks in accordance with well-defined policies and procedures. The Directors do not guarantee that changes in the local and international markets will not have any materially adverse impact on X Fund's financial results.



DOUBLE TREE BY HILTON





PART 6 - THE HOTEL

The net proceeds from the Rights Issue (expected to be approximately US\$35,229,120.00)¹ will be used as the equity input in the purchase price of a hotel, the DoubleTree by Hilton at the Entrance to Universal, Orlando, Florida, USA (“the Hotel”). The Hotel is strategically located literally at the front door to Universal Theme Park in Orlando, Florida. Pertinent details of the Hotel are as follows:

Current Name : DoubleTree by Hilton – At the Entrance to Universal, Orlando.

Street Address : 5780 Major Boulevard, Orlando, Florida 32819.

Location : At Entrance to Universal, Orlando.

Orlando International Premium Outlets	-5 minutes
Orland Convention Center	-10 minutes
Sea World	-12 minutes
Mall at Mellenia	- 5 minutes
Walt Disney World	-15 minutes
Discovery Cove	-11 minutes
Wet n’ Wild	- 4 minutes
Epcot Centre	-15 minutes
Orlando International Airport	-19 minutes

Rating : 3½ ☆

Guestrooms : 742 guestrooms including 19 suites. Guest rooms are outfitted with one king sized bed and a sofa bed or two double beds. Suites feature a comfortable living space with a dining room and kitchenette.

Guestroom Breakdown :

<i>Room Type</i>	<i>Size (Sq. Ft.)</i>	<i>No. of rooms</i>
Queen Double	372 (South Tower) 300 (North Tower)	619
King (includes sofa bed)	444	104
Suite	744-1758	19
	Total	742

Acres : 16.52.

¹ Converted at US\$1:00 = J\$118.00. If the Rights Issue is upsized to the maximum amount the gross amount raised would be US\$44,036,421.00.

Year Built	:	1974.
Building	:	Approximately 589,000 square feet.
Recent Renovation	:	2012 – Public space renovation including new fitness center, pool and board rooms.
Legal Title	:	Fee simple (un-encumbered).
Brand Affiliation	:	DoubleTree by Hilton. Franchise Agreement expires May 2016.
Number of Stories	:	2 Towers consisting of 17 stories each.
Labour	:	Unionized.
Meeting Space	:	Approximately 62,800 square feet.
Parking	:	882 spaces.
Food & Beverage Facilities	:	

Pompano's	Offers breakfast, buffets and lunch.
Palm Court Deli	Offers sandwiches, light snacks and refreshments including Uno Express Pizza, ICEE Frozen Drinks and Hershey's Ice Cream Spritz Lounge.
Carnivale	A full service restaurant offering fresh light American fare with home-style favourites (adjacent to Spritz Lounge).
Starbucks	Franchise operated by the Hotel.

Amenities	:	Junior Olympic outdoor pool and Jacuzzi, new fitness center with Precor Equipment, games room, concierge, gift shop, complimentary shuttle service to select parks, business center, guest laundry, Avis Car Rental Center, ATM.
Hotel Operating Plan	:	European Plan*- quoted rate covers room but no meals.

PART 6 - THE HOTEL (Cont'd)

Historic Occupancy/Average
Daily Rate (ADR)/Revenue per
Available Room (rev/PAR) :

<i>Year</i>	<i>Average Occupancy</i>	<i>ADR (US\$)</i>	<i>Rev/PAR (US\$)</i>
2010	65%	87	56
2011	72%	90	65
2012	76%	88	66
2013	74%	90	67
2014	82%	87	72
2015 (to June)	88%	99	87

Meeting/Conference Facilities : One of the largest and most spectacular convention and event venues in Orlando comprising 62,800 square feet of conference space. This includes a 20,000 sq.ft. Universal Center, multi-purpose conference and exhibition space, the elegant Citrus Crown Ballroom, versatile pre-function space and 32 break-out rooms – all in a variety of configurations, sizes and décor. The meeting rooms’ flexible floor plan can accommodate a wide variety of events including board meetings, full scale trade shows and gala functions. The Hotel function space can accommodate up to 2,300 reception guests and is wired with the latest technology.

Development Opportunities

The property offers opportunity to develop additional retail and/or restaurants along Kirkman Road to complement the Hotel. Under current zoning regulation, there is a maximum Floor Area Ratio (FAR) of 1:5 which would allow the development of nearly 500,000 square feet of land facing the Entrance to Universal Studios by relocating some of the surface parking into a future parking structure.

It may also be possible to increase room rates by renovating and upgrading guest rooms.

PART 7 - ORLANDO, FLORIDA, USA

Economic Overview

In addition to tourism, Orlando is a major industrial and high-tech center. The metro area has a US\$13.4 billion technology industry employing over 53,000 people and is a nationally recognized cluster of innovation in digital media, agricultural technology, aviation, aerospace and software design. More than 150 international companies, representing approximately 20 countries, have facilities in Metro Orlando. In 2014, Forbes recognized Orlando as the top city in the United States for job growth, with a growth rate of 3.7% in the first three quarters of that year, more than double the national average.

Orlando has the 7th largest research park (Central Florida Research Park) in the country, with over 1,027 acres. It is home to over 120 companies, employs more than 10,000 people, and is the hub of the nation's military simulation and training programs. Metro Orlando is home to the simulation procurement commands for the U.S. Navy, Air force, Marines and Coast Guard, Orlando's high-technology manufacturing segment, influenced by the presence of such companies as Lockheed Martin, Westinghouse, Cirt Semiconductor, Siemens Telecom Networks and Recoton Corporation, is making significant gains primarily in the areas of laser and optical technologies, computer simulation and silicon chip manufacturing. Many of the high-technology companies are concentrated in business parks like Central Florida Research Park and Orlando Central Park, as well as around the University of Central Florida.

Significant Area Development

Orlando is currently experiencing a historic cultural arts and entertainment renaissance through the planning and construction of several large scale projects. These include the following:

I-Drive 360

Currently being built along International Drive, south of Sand Lake Road, this multi-faceted entertainment facility will include a 425-foot Orlando Eye observation wheel and 35,000 square feet of retail space in a terminal structure at the base of the wheel. Additionally, Merlin Entertainment Group will open a 25,000-square-foot Madame Tussauds wax museum and a 25,000 square-foot Sea life Aquarium. Several restaurants which have signed on for the development are slated to open in early 2015, including Yard House, a first in Central Florida, along with Seafood Republic by Orlando restaurateur Bobby Moore, Buffalo Wild Wings, Outback Steakhouse, and Carrabba's Italian Grill.

Walt Disney World Expansion

Walt Disney World has also added to its world class guest attractions with the continued expansion to Fantasyland, which reopened on March 12, 2012. The newest addition to the park is the Seven Dwarf's Mine Train which opened to the public on May 28, 2014 and marks the completion of "New Fantasy Land".

PART 7 - ORLANDO, FLORIDA, USA (Cont'd)

Dr. Phillips Performing Arts Center (“DPAC”)

Opened in November 6th, 2014, the US\$500 million center is a premiere, world class destination for culture and entertainment. DPAC will establish a creative center for residents and tourists alike.

Citrus Bowl Reconstruction

Slated for completion in Q2 2015, the US\$175 million reconstruction will include new and enhanced concession stands, locker rooms, restrooms, cosmetic repairs, press and suite level reservations, as well as technology and infrastructure improvements.

Creative Village

To build on the success of Orlando’s digital media industry, Mayor Buddy Dyer and the Orlando City Council have envisioned a re-development of the existing 68-acre Amway Arena site into a Creative Village -a one-of-a-kind place- where high-tech companies may locate and employees of those businesses and other residents may live, work, learn and play. Proposed at an estimated cost of US\$1 billion, the high quality, new urban neighborhood will include office/creative space, a grade school and higher education space, residential units, retail/commercial space, a hotel, and six parks providing public space for civil events, festivals and community markets. Infrastructure work is planned to start in 2015.

Interstate 4 Improvements

The Florida Department of Transport will make interstate improvements through Downtown Orlando. The total investment will equal approximately US\$2 billion and is slated to begin Q1 2015.

SunRail

SunRail is a 61-mile, 17-stop commuter rail system that will operate on the existing CSX railroad. The system has two stops within Downtown Orlando at Lynx Central Station and Church Street Station. Phase one opened May of 2014; phase two is expected to receive federal funding later this summer and should be completed in early 2017.

Maglev Train System

America Maglev Technology (AMT) has proposed to build, operate and maintain a privately financed transit project in the Orlando area linking the Convention Center to the Orlando Airport. The project would establish a fully automatic train system powered by magnetic levitation which lifts the vehicle from the track and propels it.

Phase one of the proposed AMT project includes 14.9 miles of track, with stops at Orange County Convention Center, Florida Mall, the Sand Lake Road SunRail station and Orlando International Airport.

PART 7 - ORLANDO, FLORIDA, USA (Cont'd)

All Aboard Florida

Florida East Coast Industries (FECI) is developing a privately owned, operated and maintained, passenger rail service. The project, called All Aboard Florida, would give passengers a new way to travel between South Florida and Central Florida.

The company is currently working out the details on the Central Florida extensions and could begin service as early as 2016. The route will feature passenger service along the existing Florida East Coast Corridor between Miami and the Space Coast and the creation of new tracks in Central Florida with future connections to SunRail, Central Florida commuter rail system, and an Automated People Mover. Stations are currently being built for downtown Miami, downtown Fort Lauderdale, and downtown West Palm Beach.

Most of the 230 miles of Right of Way needed are in place, and the corridor has been used for rail operations for more than a century. FECI would own, operate and manage the passenger rail line.

The Orange County Convention Center

The Orange County Convention Center (OCCC), located at 9800 International Drive, is adjacent to the intersection of Interstate 4 and the Bee line Expressway and is approximately two miles from the Hotel. It is a multi-purpose facility designed for conventions, trade shows, exhibits and sporting events. The OCCC consists of two buildings joined together by a covered pedestrian sky-bridge. The West Building, completed in four phases between 1983 and 1996, is located on the south side of International Drive. The North/South Building, located on the north side of International Drive, was completed in 2003. Additional facilities at the OCCC include two 92,000 square foot general assembly areas, a 2,643-seat Chapin Theater, a 200-seat Lecture Hall, a 62,000-square foot multi-purpose Valencia Room, three full service restaurants, 8 food courts, three business centers and on-site parking for 6,227 vehicles. The facility contains approximately seven million square feet of total space, 2.1 million square feet of exhibit space and 542,000 square feet of dedicated meeting space. There are 74 meeting rooms with 232 breakout rooms in the OCCC. This is the second largest convention center in the United States, behind only McCormick Place in Chicago.

Convention activity has accounted for a major portion of discretionary visitation to Orlando during the past five years. An increasing number of national groups are selecting Orlando as a convention location because of its broad appeal to individuals of all ages, as well as the area's rapid expansion and development of meeting and convention facilities capable of accommodating larger conventions. A big advantage of the area is that convention attendance can be combined with a family vacation, a factor that dramatically increases the overall participation levels that businesses experience when operating in Orlando. OCCC activity impacts 1,000 business and on average, it hosts approximately one million delegates annually and provides a US\$1.9 billion dollar total economic impact annually to the Central Florida economy

PART 7 - ORLANDO, FLORIDA, USA (Cont'd)

Orange County Convention Center business was up 6.8% in 2014 with over 1.3 million attendees.

Air Lift

Part of the reason Orlando is a world-class destination is its world-class airport. Orlando International Airport (“MCO”) ranks as the 13th busiest airport in the U.S. Internationally, it is ranked among the top 30 and is considered one of the fastest growing major international airports in the world. In 2014, the airport served more than 35.7 million passengers, representing growth of 2.7% over the prior year. MCO is ranked 2nd in “Best Large Airport Customer Satisfaction” according to J.D. Power & Associates, and is the 3rd largest in the U.S. for domestic origin and destination travelers. Currently, Orlando International Airport is served by more than 33 airlines and provides scheduled non-stop service to 85 U.S. destinations and international destinations. Sixty airlines fly into Orlando; Southwest Airlines generates the most passenger traffic at almost 30% of all airport landings, with services to over 40 domestic and international destinations. Delta, American Airlines, AirTran, Continental, US Airways, United Airlines and JetBlue also have substantial operations at the airport. In March 2008, JetBlue announced the addition of Orlando as a new focus city. Orlando now serves as a key connecting city to international destinations in the Caribbean, Mexico, and South America. New international routes from Orlando International Airport include: Cancun, Mexico; Bogota, Colombia; and Santo Domingo, Dominican Republic.

PART 8 - INVESTMENTS IN REAL PROPERTY

Introduction

8.1 X Fund currently holds investments in two (2) sets of assets derived from real estate; namely: 6,858,638,766.058 units in Sigma Real Estate Portfolio and all of the issued share capital of X Fund Properties Limited, a Jamaican company.

Sigma Real Estate Portfolio

8.2 Sigma Real Estate Portfolio is a portfolio fund of Sagicor Sigma Global Funds, a unit trust managed by Sagicor Life Jamaica Limited. That unit trust holds the following prime parcels of real estate (“the Properties”) having a fair market value (based on latest valuation) and generating annual gross rental set out in the Table below.

	<i>The Properties</i>	<i>Fair Market Price</i>	<i>Annual Gross Rentals/Income (2014)</i>	<i>Occupancy Level (2014)</i>
1	R. Danny Williams Building	J\$1,900,000,000	J\$197,686,207	99%
2	Sagicor Sigma Building	J\$1,182,487,000	J\$72,142,933	76%
3	Sagicor Industrial Park - Marcus Garvey Drive	J\$415,000,000	J\$34,960,441	81%
4	Sagicor Industrial Park - Montego Bay Freeport	J\$792,666,000	J\$82,720,609	93%
5	Sagicor Montego Bay Commercial Centre	J\$475,600,000	J\$27,816,754	97%
6	Sagicor Industrial Park - Norman Road	J\$1,034,000,000	J\$99,313,202	87%
7	Spanish Town Shopping Centre -Strata Lot #s 28, 43, 55, 62 -64, 69 - 79	J\$80,000,000	J\$4,198,668	79%
8	Northern Estates (Cinnamon Hill and Success Estate)	J\$1,545,750,000	Not Applicable	Unoccupied
9	Curatoe Hill – May Pen	J\$224,950,000	Not Applicable	Unoccupied
10	23-35 Seymour Ave.	J\$372,000,000	Not Applicable	Unoccupied
11	The Jewel Dunn’s River Resort and Spa	J\$4,925,857,350	US\$20,693,185	85%
12	Jewel Runaway Bay Beach & Golf Resort	J\$3,938,431,000	US\$16,741,495	70%
13	Jewel Paradise Cove Beach Resort & Spa	J\$2,869,428,300	US\$13,316,307	70%

PART 8 - INVESTMENTS IN REAL PROPERTY (Cont'd)

8.3 The operating performance of the three (3) hotels owned by Sigma Real Estate Portfolio, year to date June 2015 are as follows:

<i>Hotel</i>	<i>Average Occupancy</i>	<i>ADR (US\$)</i>	<i>Rev/PAR (US\$)</i>
The Jewel Dunn's River Resort and Spa	87%	266	232
Jewel Runaway Bay Beach & Golf Resort	84%	238	199
Jewel Paradise Cove Beach Resort & Spa	78%	256	199

The Sigma Real Estate Fund has recently completed construction of the second largest water park in the Caribbean at Jewel Runaway Bay Beach & Golf Resort. This waterpark includes a 280 foot water slide, two splash down pools, lagoons, lazy river, children's section and 5,000 foot ocean front sun deck.

X Fund Properties Limited

8.4 X Fund Properties Limited was incorporated on December 1, 2014 as a wholly-owned subsidiary of X Fund to take title to the Hilton Rose Hall Beach Resort & Spa which was acquired in January 2015. This hotel is operated as an all-inclusive resort and its current performance (year to date June 2015) is shown in the table below

<i>Hotel</i>	<i>Average Occupancy</i>	<i>ADR (US\$)</i>	<i>Rev/PAR (US\$)</i>
Hilton Rose Hall Beach Resort & Spa	84%	276	232

8.5 The purchase price for the Hilton Rose Hall Beach Resort & Spa (US\$85,500,000) was funded by at US\$42.3 million secured bond placement made by X Fund. The net proceeds raised from the bond placement were invested as equity in its subsidiary, X Fund Properties Limited. X Fund Properties Limited then made a placement of long term mortgage-backed bonds in two (2) tranches as follows:

- (a) Tranche B – US\$12,550,000
- (b) Tranche C – US\$34,200,000 (being the US currency equivalent of J\$3,927,144,960)
- Total US\$46,750,000

The excess monies raised were applied to fund refurbishing work on the hotel.

X Fund Properties LLC

8.6 This will be a corporation established in the State of Delaware, United States of America. It will take title to the DoubleTree by Hilton at the Entrance to Universal in Orlando, Florida. For details of this hotel see **Part 6** entitled “**DoubleTree by Hilton at the Entrance to Universal Studios**”.

PART 9 - BOARD OF DIRECTORS

Richard Owen Byles B.Sc. (Econ), M.Sc.

Mr. Byles is Chairman of Sagicor Real Estate X Fund Limited, President and Chief Executive Officer of Sagicor Life Jamaica Limited and Director of Sagicor Group Jamaica Limited. He received his first degree in Economics at the University of the West Indies and a Master of Science in National Development and Planning from the University of Bradford, England. He has held managerial positions in several major corporations in Jamaica including First Life Jamaica Limited, where he was Chairman and Chief Executive Officer, and Pan-Jamaican Investment Limited where he was President and Chief Executive Officer.

Mr. Byles is currently Chairman of Sagicor Investments Jamaica Limited, Sagicor Life of the Cayman Islands Ltd., Desnoes & Geddes Limited ("Red Stripe"). He is Co-Chair of the Economic Policy Oversight Committee (EPOC), a private/public sector committee established to oversee the implementation of the IMF programme in Jamaica.



Rohan Miller B.Sc. (Agri.) (Hon), MBA

Mr. Miller is the Chief Executive Officer of Sagicor Real Estate X Fund Limited, Chief Executive Officer of Sagicor Investments Jamaica Limited and Executive Vice President and Chief Investment Officer of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd. He was awarded a B.Sc. (Hon.) degree with a major in Agricultural Economics by the University of the West Indies where he studied on scholarship from the Commonwealth Fund for Technical Co-operation. He received an MBA (Beta Gamma Sigma) in Finance from Rutgers University, Graduate School of Management where he was also the recipient of the Christine Dymysz Memorial Scholarship for academic excellence and the Edmund L. Houston Foundation Award for Outstanding Achievement.



Dr. M. Patricia Downes-Grant B.A, M.A. (Econ), MBA, DBA

Dr. Downes-Grant was appointed President and Chief Executive Officer of Sagicor Life Inc. on January 1, 2006, having previously served as Group Chief Operating Officer of that Company. She holds an MBA in Finance, M.A. in Economics and a Doctorate in Business Administration (Finance), all awarded by the University of Bradford in the United Kingdom. She previously worked as a Senior Manager in the Management Consulting and Insolvency Division of Coopers & Lybrand. Prior to that, she worked in development banking. She is a former Chairman of the Barbados Stock Exchange and the Barbados Central Depository and a Director of several companies within the Sagicor Group and also the Barbadian private sector.



Dr. The Hon. R. Danvers (Danny) Williams O.J., C.D., Hon. LL.D, J.P., CLU

Mr. Williams is Chairman of Sagicor Life Jamaica Limited and Sagicor Group Jamaica Limited. He is one of the founders and the Past President and Chief Executive Officer of Life of Jamaica Limited (now Sagicor Life Jamaica Limited). He commenced his working career at the age of 18 years with North American Life Assurance Company and within seven (7) years rose to the position of Branch Manager and, over the next decade, guided the branch to the No. 1 branch office in the North American Life international branch network. He subsequently led a group of Jamaican investors in the establishment of Life of Jamaica Limited.



Mr. Williams' public and civic services include appointments during the period 1977-1980 as Senator, Minister of State and, subsequently, Minister of Industry & Commerce. He has received numerous honours and awards including Doctor of Laws (Hon.) from the University of Technology, Doctor of Laws (Hon.) from the University of the West Indies, Observer Lifetime Achievement Award, Induction in the Private Sector Organisation of Jamaica (PSO) Hall of Fame, the Caribbean Luminary Award from the American Foundation for the University of the West Indies (AFUWI), the Gleaner Honour Award for Voluntary Service, induction into the Caribbean Association of Insurance and Financial Advisors (CARIFA) Hall of Fame, the YEA Entrepreneurial Spirit Award from the Young Entrepreneurs Association and One of the 50 Living Legacy Awards from the Caribbean Community for Retired Persons (CCRP).

He served as President of the Jamaica Association for the Deaf for 10 years and is past Chairman of the Jamaica Association for the Advancement of Literacy, and the National Development Foundation of Jamaica as well as past Vice President of the Jaycees of Jamaica and the West Indies Jaycees. Mr. Williams is currently Chairman of the Jamaica Anti-Doping Committee and Chairman of the Board of Jamaica College.

PART 9 - BOARD OF DIRECTORS (Cont'd)

Michael Fraser J.P. CLU

Mr. Fraser is a Chartered Life Underwriter who has worked in the insurance industry in Jamaica for several years. He served as President and Chief Executive Officer of Island Life Insurance Company Limited and Deputy Chief Executive Officer and Chief Marketing Officer of Sagicor Life Jamaica Limited. He is currently the President & Chief Executive Officer of Sagicor Life of the Cayman Islands Limited and is a Director of Sagicor Insurance Brokers Limited. He also serves as a consultant with Sagicor Life Jamaica Limited.

He is a Past President of the Life Underwriters' Association of Jamaica and, in 1999, was voted "Insurance Man of the Year" by the Association. In 2005, he was inducted into the Caribbean Insurance Hall of Fame.

He leads a team that manages a mix of investments of approximately J\$349 billion. He currently sits on the Investment Committee of Sagicor Life Jamaica Limited.

**Stephen McNamara** Barrister-at-law

Mr. McNamara is the senior partner of McNamara & Company, attorneys-at-law, in Saint Lucia. He was called to the Bar of England & Wales as a barrister of law of Lincolns Inn in 1972. That same year he was admitted as an attorney-at-law to the Bar of Saint Lucia. Mr. McNamara is a director of Sagicor Life Inc., Sagicor Financial Corporation and several other companies within the Sagicor Group. He is a director of Saint Lucia Electricity Services Limited and various companies in Saint Lucia. He is currently President of the Saint Lucia Tennis Association and a life member of the Barbados Cricket Association.

**Peter Pearson** B.Sc., FCCA, FCA, J.P.

Mr. Pearson is a graduate of Cornwall College and a graduate of the University of West Indies from which he holds a BSc. (Management Studies). He is a Fellow of the Institute of Chartered Accountants and a Fellow of the Chartered Association of Certified Accountants. He retired as a partner of PricewaterhouseCoopers in 2013. Upon his retirement he was an assurance partner and partner in charge of the firm's Montego Bay office, a position he held for over 20 years, having served the firm for 39 years, 26 of those as a partner. In addition to his responsibilities as an assurance partner with clients in the hospitality, banking and government among other industries, he also worked as an advisory partner in charge of receiverships. Mr. Pearson has been a Justice of the Peace from 1987.

**Vinay Walia** Bachelor of Commerce, A.C.C.A.

Mr. Walia is the Co-Managing Director of Guardsman Group, and also serves on the Board of Directors. He joined Guardsman Group as Financial Controller in 1998, before being promoted to Financial Director in 2000 and Co-Managing Director in 2012. His responsibilities include providing financial leadership to the Group and its subsidiaries, driving and supporting key strategic growth and profitability initiatives, as well as ensuring full compliance with government and industry regulations as well as corporate policies. Prior to joining Guardsman Group, Mr. Walia had a reputable career in accounting and auditing, first with A.F. Ferguson & Co. (a representative of KPMG Peat Marwick in India), and later with KPMG Peat Marwick in Jamaica. He is a Chartered Certified Accountant (ACCA), and also holds a Bachelor of Commerce degree with Honours from Delhi University.



PART 10 - SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT

This is a brief synopsis of certain terms in the Agreement for Purchase and Sale of the Hotel (“APS”). It does not purport to mention all the terms which may materially affect the Buyer, whether adversely or favourably. The APS is among the “Documents Available for Inspection and Shareholders can review the document at the offices of **Patterson Mair Hamilton**. See further **Part 12 “Additional Information”** - section 10 “**Documents Available for Inspection**”. Items written in bold are separately discussed or explained in the text below:

Date of APS	June 25, 2015
Seller	Meristar Sub 5G, L.P., a Delaware limited partnership
Buyer	X Fund Properties Limited, a Jamaican company. X Fund Properties Limited intends to nominate X Fund Properties LLC, a Delaware limited liability company to take title to the Hotel.
Assets to be sold & purchased	(i) The Hotel (known as DoubleTree by Hilton at the Entrance to Universal Orlando); and (ii) Asset-Related Property (see below for items included in this term)
Purchase Price	US\$75,000,000.00 (subject to customary closing adjustments)
How Payable	(i) Initial Deposit of US\$3,750,000.00 payable on signing of the APS - to be held in escrow; (ii) Further Deposit of US\$3,750,000.00 payable on July 24, 2015 (if by 5.00 p.m. on July 23, 2015 (end of Due Diligence Period) Buyer does not serve written notice of termination on the Seller and claim a full refund of the Initial Deposit of US\$3,750,000.00); (iii) Balance (subject to closing adjustment) is payable on Closing – i.e. 45 days after expiration of Due Diligence Period (this would occur on or about September 7, 2015).
Due Diligence Period	June 25, 2015 to July 23, 2015. During this period Buyer may undertake inspection and due diligence of the Hotel and may at its discretion withdraw from the transaction for any reason and claim refund of its Initial Deposit of US\$3,750,000.00.
Forfeiture	If Buyer does not serve notice of withdrawal before expiration of the Due Diligence Period and if it does not pay the Further Deposit of US\$3,750,000.00 by 5.00 p.m. on July 24, 2015 then the Seller may forfeit the Initial Deposit and terminate the APS. (Buyer has in fact paid the further deposit and intends to close the transaction.)
Asset-Related Property included in the Sale	All easements, rights-of way, privileges, covenants and other rights appurtenant to the Hotel and to any land lying in the bed of any street, road, alley, open or closed; in front of, or adjoining, the Hotel to the center line thereof; All furniture, fixtures and fittings (FF&E”), operating equipment, tool, supplies and other personal property including vehicles owned by the Seller and the Seller’s rights under any lease of any such personal property to the extent such lease is an Assumed Contract ; Consumables; being food and beverage (including alcoholic beverage; to the extent transferable under Applicable Law ; engineering, maintenance and housekeeping supplies, stationery and supplies of all kind (whether in use, unused or in storage) (but excluding property branded by the Seller or the Franchisor);

PART 10 - SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT (Cont'd)

	<p>Licences, permits, authorizations, held in connection with the operation of the Hotel; to the extent assignable under Applicable Law;</p> <p>the benefit of manufacturers' and contractors' warranties; to the extent assignable under Applicable Law;</p> <p>General intangibles such as logos, designs, trade names, building names, trademarks, telephone numbers related to the Hotel; to the extent assignable under Applicable Law;</p> <p>Retail Merchandise held for sale by the Hotel or on order;</p> <p>Space Leases, Assumed Contracts and all security and escrow deposits held in connection with Space Leases;</p> <p>Books and Records (including tenants files, tenant marketing information);</p> <p>Plans and Specifications (including engineering drawings, operating manuals, books and data and records relating to the physical components of the Hotel);</p> <p>Bookings from and after the Closing and any Booking Deposits;</p> <p><i>(Capitalized terms used in this section are specifically defined in the Agreement for Purchase and Sale).</i></p>
Assumed Contracts	<p>Assumed Contracts are all contracts pertaining to the Hotel other than (i) the Management Agreement; (ii) the Starbucks Licence; (iii) National Service Contracts being contracts under which the Seller or Manager or any Affiliate of Seller provides services to the Hotel. All Assumed Contracts are to be assumed and taken over by Buyer at Closing.</p>
Space Leases	<p>Lease and licenses and other occupancy agreements relating to space within the Hotel property. It does not include rooms customarily rented to guests in the ordinary course of the hotel business.</p>
Excluded Assets (i.e. assets which are not being sold)	<p>(i) Cash and securities and other cash equivalents held in any account, held by Seller or Manager on behalf of Seller in any bank account or vault including reserves or escrow in connection with Existing Financing and reserves maintained by Seller or Manager (but excluding Cash on Hand);</p> <p>(ii) third party property;</p> <p>(iii) outstanding insurance claims;</p> <p>(iv) Seller's confidential or proprietary information, internal books and records, software not used in Hotel operations, the names "Blackstone", "DoubleTree", "Hilton" and trademarks, service marks, trade names, brand names, brand marks, domain names, social media sites (such as Facebook or Twitter), trade dress, or logos, relating thereto; development bonds, letters of credit or other collateral held or posted with any Governmental Authority or third party with respect to any improvement, sub-division or development obligations concerning the Hotel.</p>

PART 10 - SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT (Cont'd)

Treatment of Cash on Hand at Closing	Cash on hand or on deposit in any house bank account, cheques, traveller's cheques, bank drafts paid by Hotel guests shall be purchased by Buyer at face value and the price shall be an addition to the Purchase price.
Management Agreement	Management Agreement dated January 1, 2001 between Seller and Interstate Management Company, LLC ("the Manager") for the management and operation of the Hotel. The Seller will terminate this Agreement at Closing and shall bear all termination fees and costs.
Franchise Agreement	Buyer shall take requisite steps to assume the Starbucks franchise and if Starbucks does not approve then the Franchise Agreement shall be terminated.
Starbucks License	Buyer shall take requisite steps to assume Franchise Agreement with the approval of the Franchisor (DoubleTree Hotel Systems, Inc.) If Buyer fails to secure the approval of Franchisor for transfer of the Franchise Agreement by the Closing Date then that shall constitute default by the Buyer.
Closing Date	45 days after July 23, 2015 (i.e. the date when the Due Diligence Period will end).
Allocation of Purchase Price	Purchase price of US\$75,000,000.00 will be allocated among Hotel and Related Assets for Federal and State tax purposes in accordance with Internal Revenue Code §1060 and the detailed consideration allocation rules set out in Treasury Regulations §1.1060.
Seller's Representations & Warranties	Limited Seller's warranties including (i) valid existence; (ii) power to execute and complete APS; (iii) no consents required; (iv) no conflict with other agreements; (v) due compliance with antiterrorism laws; and (vi) Seller not bankrupt.
Buyer's Representations & Warranties	Similar to Seller's Warranties above.
Seller's Representations & Warranties relating to Assets	Customary Seller's warranties including: (i) no condemnation or eminent domain proceedings affecting the Hotel; (ii) Seller has good title to Personal Property being sold; (iii) no notice of any Governmental Authority regarding environmental violation or environmental claims or liabilities affecting the Hotel; (iv) no material litigation or arbitration affecting the Hotel; (v) Seller has no employees: all hotel workers are employees of Manager.
Buyer's Inspection Right	Buyer (or its agents) has right to inspect Hotel and to interview the Manager and financial controller subject to giving prior notice (at least 24 hours) to the Seller and providing to the Seller evidence of liability insurance up to a limit of not less than US\$2,000,000.00 for any one occurrence and naming the Seller as additional insured and loss payee. Buyer to indemnify Seller for any loss or damages caused by Buyer or its agent during inspection.
Seller's Disclaimers & Exclusions	<p>(i) No warranty of accuracy or completeness with respect to information or reports provided to Buyer or its agents;</p> <p>(ii) No representations or warranties with respect to condition of Assets: Assets are being sold "<i>as is here is</i>" with all faults (except as stated in the APS or any Closing Document), The exclusion of warranties with respect to condition of the Assets covers <i>inter alia</i> (a) the quality of the design, labour and materials in the construction of the Hotel; its structural elements, foundation, roofs, glass, mechanical,</p>

PART 10 - SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT (Cont'd)

	plumbing electrical, HVAC, sewage and utility components; the capacity and availability of sewage and water and other utilities the geology, flora, fauna, soils and irrigation of or with respect to the Hotel; (b) the economic feasibility, cash flows and expenses of the Hotel; (c) the compliance of the Hotel with any applicable Codes, law, regulations, ordinances, licences, agreements, permits and approvals or other governmental requirements or any governmental authority exercising jurisdiction over zoning, public works, building, parking, fire, handicap access, life safety, hazardous material toxic substances; (d) the availability costs and terms of insurance (both liability and property insurance) upon the Hotel; and (except as stated below under the heading Title) the condition of title to the Hotel including any title defects, liens, encumbrances, boundary defects, encroachments, mineral rights, options, easements, violation of restrictive covenants.
Buyer's Release to Seller	The Buyer will release the Seller and its Releasees ² from all claims and liability arising in connection with the Hotel or the Personal Assets including <i>inter alia</i> , the environmental or structural condition of the Hotel, the presence of any environmental problem affecting the Hotel, the presence of hazardous material or of asbestos or asbestos containing material in the Hotel.
Title	Seller to transfer title subject only to Permitted Exceptions . If Seller cannot transfer title as aforesaid then the Buyer may terminate the APS and re-claim its Earnest Money ³ or it may waive the defect. If Seller wishes to remedy the title defect it shall be entitled to an extension of time (up to 30 days) to do so or to secure insurance against such defect. A title defect is deemed to be remedied when the Title Insurance Company agrees to issue a Title Policy that will eliminate or insure against the consequences of such title defect.
Permitted Exceptions	These include: (i) zoning and building ordinances and land use regulations (ii) matters set forth in a survey of the Property such as boundary discrepancies, shortage in area and, encroachments; (iii) Liens, encumbrances and restrictions set forth in the Title Commitment as exceptions from the title cover other than Liens securing financial indebtedness of the Seller which must be discharged at closing; (iv) liens for real estate taxes not due and payable at Closing; (v) Space Leases and Assumed Contracts; (vi) subject to apportionment at Closing, charges for sewer, water, electricity, telephone, cable television or gas; (vii) rights of vendors and holders of security interest in personal property installed on the Hotel by tenants and rights of tenants to remove tenant's fixtures on termination of Space Leases; (viii) easements, and laws and regulations resolutions, or ordinances including building, zoning, and redevelopment of the Hotel currently or hereafter imposed by any government or quasi – government body, (ix) mechanics liens
Title Policy	Buyer may request Title Company to issue to Buyer an American Land Title

² These are the Seller, its partners, members, trustees, directors, officers, employees, representatives, property managers, asset managers, agents, attorneys, affiliates and related entities, their heirs, successors and assigns.

³ This is the aggregate of the Initial Deposit of US\$3,750,000.00 and the Additional Deposit of US\$3,750,000.00.

PART 10 - SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT (Cont'd)

	Association (“ALTA”) form of owners’ policy for US\$75,000,000.00
Buyer’s Transaction Costs	(i) Buyer’s counsel’s fees; (ii) 50% of Escrow Agent’s fees; (iii) Due diligence costs, title searches surveys and the like if any; (iv) Title insurance and recording the Deed;
Damage to Hotel before Closing	(a) If Hotel suffers Material Casualty (i.e. damage by casualty event exceeding 10% of purchase price) or Material Condemnation (see below) the Buyer can elect to terminate the APS and recover the Earnest Money. If Buyer elects not to terminate then (b) below would apply. (b) If Hotel suffers loss or damage (not amounting to a Material Casualty) then Buyer must complete and Seller will assign insurance recovery rights to Buyer.
Material Condemnation	Material Condemnation means the taking of the Hotel or any material portion thereof or any taking that in Seller’s reasonable judgment (a) materially adversely affects pedestrian and vehicular traffic to the Hotel on a permanent basis; (b) permanently and materially impair the use of the Hotel; and (c) which cannot be restored to substantially the same use as before.
Closing Adjustments	Cut-Off Time = 11:59 p.m. on the day preceding the Closing Day. The following items to be apportioned as summarized below: (i) property taxes and assessments - apportioned pro rata as at Cut-Off Time; (ii) Utilities (electricity, telephone, television, gas, fuel, water, sewer services, garbage collection) -if meter not read at Cut-Off Time then to be apportioned as of Cut-Off Time on <i>pro rata</i> basis; (iii) Lease Costs relating to Space Leases - apportioned as at Closing Date; (iv) Revenues from transient guest (including room night charges parking, mini-bars, sales phone, and other communication charges) - after Cut-Off Time such revenues go to Buyer (including ½ of the room night charge for the night in which the Cut-Off Time falls); (v) Food and Beverage- after Cut-Off Time - revenues to go to Buyer; (vi) Buyer to bear cost of Consumables handed over at Cut-Off Time; (vii) Accounts Payable - Seller to be responsible for Accounts Payable as of Cut-Off Time to the extent attributable to period preceding the Cut-Off Time. Buyer to be responsible for Account Payables to the extent attributable to the period after Cut-Off Time including prepaid Account Payables; (viii) Booking and Booking Deposits - Buyer to assume obligation to honour bookings as of the Cut-Off Time and Buyer to receive credit against the purchase price for such bookings hence Seller will retain prepaid bookings and deposits;

PART 10 - SUMMARY OF THE DOUBLETREE PURCHASE AGREEMENT (Cont'd)

	<p>(ix) Seller to pay all sales taxes, general exercise taxes, room taxes occupancy taxes hotel and resort taxes for period up to Cut-Off Time- Buyer to pay such taxes for period after Cut-Off Time;</p> <p>(x) Retail Merchandise- Seller to receive credit for retail merchandise on hand at Closing based on cost;</p> <p>(xi) Associations Fees - pro rated as at Cut-Off Time;</p> <p>(xii) Other adjustments- apportioned or pro-rated as of the Cut-Of Time;</p> <p>(xiii) Employees- wages to be apportioned as at Cut-Off Time between Seller and Buyer.</p> <p>Between 90-120 days after Closing Buyer shall deliver to Seller Post-closing Statement reflecting the above proration and adjustments.</p>
Default	<p>(a) By Buyer - Seller may terminate and forfeit Initial Deposit (US\$3,750,000.00) or Earnest Money (US\$7,500,000.00), as the case may be.</p> <p>(b) By Seller - Buyer may terminate APS and recover its Initial Deposit (US\$3,750,000.00) or Earnest Money (US\$7,500,000.00), as the case may be.</p>
Assignment	Buyer may assign contract to wholly-owned entity which controls, is controlled by or is under common control with, Sagicor Life Jamaica Limited. The Buyer intends to assign the contract to its wholly-owned subsidiary, X Fund Properties LLC
Applicable	Florida law
Submission to Jurisdiction	The Buyer submits to the jurisdiction of the courts of Orange County, Florida and the US District Court for the Middle District of Florida.

PART 11 - MANAGEMENT DISCUSSION & ANALYSIS

10.1 Sagicor Real Estate X Fund Limited (“X Fund”), a St. Lucian International Business Company, is the largest publicly traded real estate investment company in Jamaica listed on the Jamaica Stock Exchange (“JSE”). We are a leading private sector investor in the Jamaican commercial and tourism real estate market, through our investment in the Sigma Real Estate Portfolio and indirect ownership of the Hilton Rose Hall Beach Resort & Spa in Montego Bay through a wholly owned subsidiary of X Fund Properties Limited.

10.2 The Sigma Real Estate Portfolio has property investments in the tourism sector with ownership of three Jewel Resorts branded hotels; and the commercial real estate sector by owning four office/retail shopping buildings, four industrial/warehousing properties and two prime land holdings slated for development.

10.3 In 2014, the Sigma Real Estate Portfolio generated revenue of J\$7.081 billion and net income of J\$2.487 billion. That Portfolio’s earnings before interest, tax and amortisation charges (EBITA), excluding any un-realised revaluation property gains, was J\$936 million. These earnings, combined with revaluation gains of J\$1.906 billion, formed the basis for appreciation of the Sigma Real Estate Portfolio unit values and consequently gains of J\$985 million recognised by X Fund as at December 31, 2014.

10.4 As such, X Fund recorded net profit after tax of J\$921.4 million with assets valued at J\$14.22 billion representing an increase of 69% over total assets at the end of the preceding financial year.

10.5 Improved returns were noted by end of the second quarter in 2015, as X Fund generated EBITDA of J\$1.244 billion, a 203% increase over Q2 2014 EBITDA of J\$410 million. Consolidated net profit attributable to stockholders at Q2 2015 also reflected positive growth, closing the period with J\$687 million, a 67% improvement over 2014 net profit of J\$410 million. Total Assets increased by J\$6.97 billion to J\$21.19 billion at the end of June 2015. This 2015 asset growth of 49% reflects the acquisition of the Hilton Rose Hall Beach Resort & Spa as well as appreciation of units in the Sigma Real Estate Portfolio.

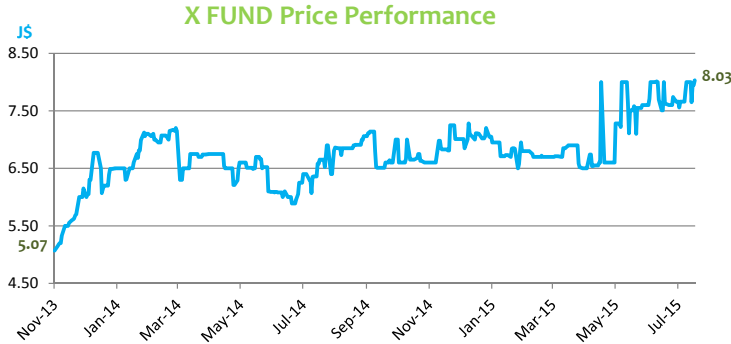
10.6 Total Shareholder Equity as at June 30, 2015 was J\$9.79 billion. This was below the J\$9.91 billion at Q1 2015 due to a dividend distribution in June 2015 to stockholders of J\$239.3 million. Despite the dividend payout, shareholder equity was above the J\$9.34 billion as at December 31, 2014 and reflects the impact of net earnings.

10.7 Both X Fund and Sigma Real Estate Portfolio continue to actively seek viable investments in tourism and commercial real estate. As world tourism has rebounded, the Jamaican market has done well and we expect it to continue doing so for the remainder of 2015. This also provides other opportunities to X Fund as we seek to increase value to shareholders.

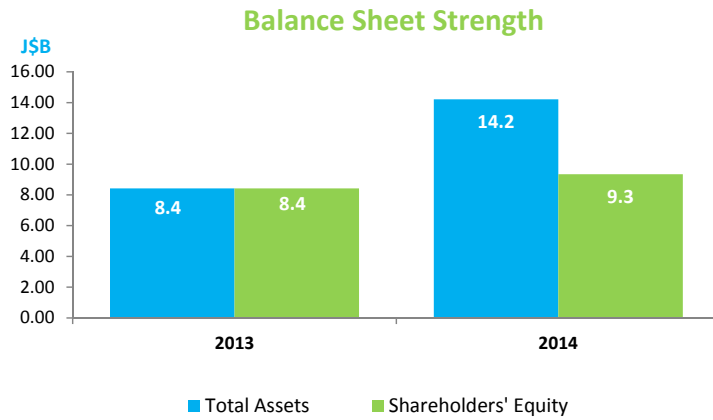
PART 11 - MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Selected Financial Indicators

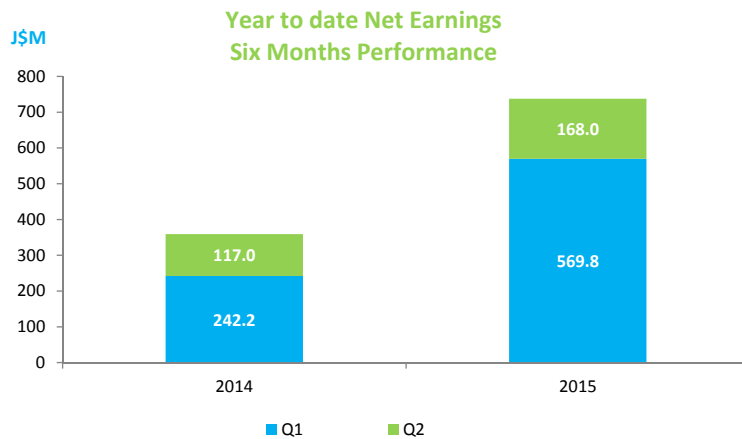
1. Stock Performance



2. Financial Strength



3. Operating Performance

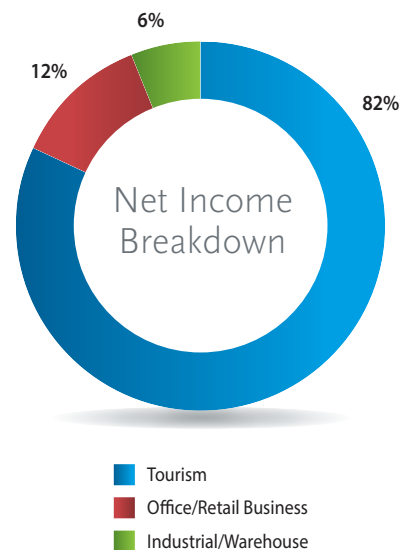
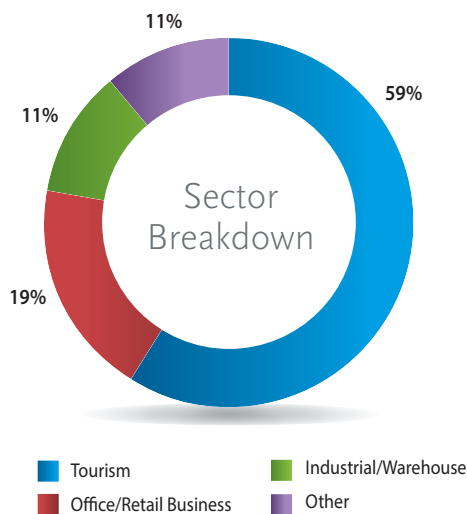
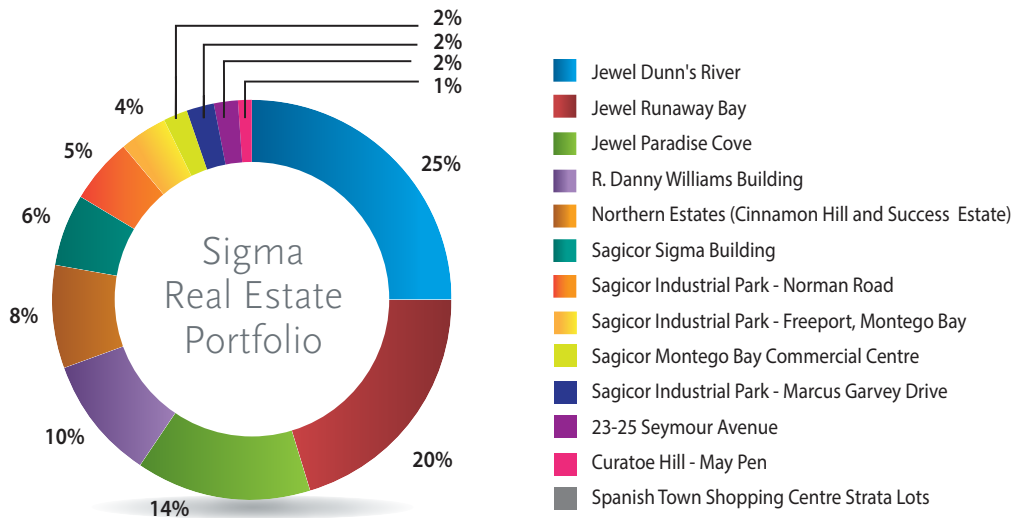


PART 11 - MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Sigma Real Estate Portfolio

10.8 The Sigma Real Estate portfolio currently holds thirteen (13) properties which comprise of prime commercial and resort properties located across Jamaica, as well as two lots slated for development. In terms of market value, the number one property is Jewel Dunn’s River, whereas the lowest in value is the Spanish Town Shopping Centre strata lots. The invested real assets of the Sigma Real Estate portfolio can be broken down as follows:

- (1) Commercial (Non-Hotel) Properties
- (2) Tourism (Hotel) Properties
- (3) Land for Development.





Tourism Properties



Hilton Rose Hall



Jewel Dunn's River



Jewel Lagoon Water Park, Runaway Bay



Jewel Paradise Cove



R. Danny Williams Building

Office/Retail & Industrial Properties



Sagicor Montego Bay Shopping Centre





Sagicor Sigma Building



Sagicor Industrial Complex Norman Road



Sagicor Industrial Complex Montego Bay



Sagicor Industrial Park - Marcus Garvey Drive

PART 12 - ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names are set out below under paragraph 3.4 of this Rights Issue Circular accept responsibility for the information contained herein. To the best of the knowledge and belief of the Company and its Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Rights Issue Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and Registered Office

Sagicor Real Estate X Fund Limited (“X Fund” or “the Company”) is an international business company incorporated in Saint Lucia. It was incorporated on May 31, 2011 under the name **Sagicor X Funds SPC Ltd.** On February 28, 2013, the Company changed its name to Sagicor Real Estate X Fund Limited. On September 24, 2013, X Fund issued a prospectus in Jamaica inviting the public to subscribe for ordinary shares in the Company under an initial public offer (“IPO”). The IPO was successfully closed on October 18, 2013 and the Company’s ordinary shares which were subscribed were converted to stock units and then listed on the JSE.

X Fund’s registered office is at 20 Micoud Street, Castries, Saint Lucia.

3. Share Capital

3.1 As at the date of this Rights Issue Circular, X Fund’s issued share capital is as follows, namely:

- (a) 1,495,336,750 ordinary shares of J\$1.00 each;
- (b) 1 special rights redeemable preference share (“the Special Share”)

All the issued shares are fully paid. X Fund’s authorized share capital is 5,000,000,000 ordinary shares and 1 Special Share.

3.2 As at the date of this Rights Issue Circular, X Fund had approximately 1,364 Shareholders. The ten (10) largest Shareholders are:

	<i>Shareholders</i>	<i>No of Shares</i>	<i>% of Issued Share Capital</i>
1	Sagicor Pooled Diversified Investment Fund	720,987,657	48.21%
2	Sagicor Pooled Mortgage & Real Estate Fund	286,992,887	19.19%
3	SLJ Trading A/C – Sagicor Real Estate Fund	183,869,136	12.30%
5	National Housing Trust Pension Fund	30,000,000	2.01%
6	Sagicor Pooled Equity Fund	27,388,364	1.83%
7	Heart Trust NTA Pension Fund	20,000,000	1.34%
8	Grace Kennedy Pension Scheme	20,000,000	1.34%
9	SJIML A/C 3119	19,860,600	1.33%
10	JCSD Trustee Services- Sigma Optima	14,837,991	0.99%

All holders of ordinary shares have the same voting rights – that is to say 1 vote on a show of hands and 1 vote for each Share held on a poll.

The Special Share

3.3 The Company has issued one Special Share to Sagicor Life Jamaica Limited which it holds on trust for Sagicor Pooled Investment Funds Limited. The Special Share carries the right to 51% of the votes on a poll in general meetings otherwise, on a show of hands, it has only one vote. The holder of the Special Share may demand a poll at a general meeting. The Special Share has special class rights entrenched in the Memorandum of Association of the Company. Accordingly each of the following proposals is deemed to be a proposed variation of the rights attaching to the Special Share and is only effective with the consent in writing of the holder of the Special Share (i.e. Sagicor Life Jamaica Limited); namely: (i) modification or termination of the Management and Administrative Services Agreement; (ii) the amendment or removal or alteration of the effect of all or any of the provisions in the Memorandum of Association or the Articles of Association of the Company setting out the rights and privileges attaching to the Special Share or otherwise concerning the Special Share. The Company has not issued any founders, management or deferred shares. The Special Share carries no right to dividends or distributions except that on a winding up of the Company the holder will receive a distribution of US\$1.00 (being the amount paid up on the Special Share), payable in priority to any distribution on the ordinary shares.

Directors' Interest in Shares

3.4 The interests of the Directors of X Fund in the issued share capital of the Company as recorded in the Register of Members as at the date of this Rights Issue Circular are as follows:

	<i>Directors</i>	<i>Direct</i>	<i>Investment</i>	<i>Total</i>
1	Richard Byles, B.Sc. (Econ.), M.Sc.	1,040,600	NIL	1,040,600 ⁴
2	Dr. The Hon. R. Danvers Williams, O.J., C.D., Hon. LL.D, J.P., C.L.U.	NIL	NIL	NIL
3	Rohan Miller, B.Sc. (Agri.) (Hon.), MBA	200,000	NIL	200,000
4	Michael Fraser J.P., C.L.U.	NIL	NIL	NIL
5	Dr. M. Patricia Downes-Grant, B.A., M.A. (Econ.), MBA, DBA	NIL	NIL	NIL
6	Vinay Walia, B.Com., ACCA	NIL	NIL	NIL
7	Peter Pearson, B.Sc., FCCA, FCA, J.P.	NIL	NIL	NIL
8	Stephen McNamara, Barrister-at-law	NIL	NIL	NIL

No Director or other person or company has any option or other rights to acquire Shares in the Company.

4. Directors' Interest in Contracts and Assets

4.1 As at the date of this Rights Issue Circular, no Director has any contract or business arrangement with X Fund which is material in relation to the business of X Fund.

4.2 As at the date of this Rights Issue Circular no Director has, directly or indirectly, any interest in any asset which since December 31, 2014 (being the date to which the latest published audited accounts of the Company were prepared) has been acquired or disposed of, or leased by, or to the Company or its Subsidiary or is proposed to be acquired, disposed of, or leased to, or by, the Company or its Subsidiary.

⁴ 10,600 registered in the name of Pavel Byles and 20,000 in the name of Kristina Byles and Pavel Byles.

PART 12 - ADDITIONAL INFORMATION (Cont'd)

5. **The Company's Relationship with the Sagicor Group of Companies**

5.1 The Company has a close working relationship with other companies in the Sagicor Group of Companies.

Management and Administrative Service Agreement

5.2 The Company has no permanent employees in Jamaica. Its regulatory affairs in Jamaica are managed and administered by Sagicor Life Jamaica Limited under a Management and Administrative Services Agreement dated June 3, 2013.

6. **The Board**

6.1 The principal responsibility of the Board is to promote the long term success of the Company by creating and delivering sustainable shareholder value. The Board charts the strategic direction of the Company and monitors the execution of such strategy. It is responsible for ensuring that an effective system of internal control is maintained.

Board Meetings and Attendance

6.2 The Board meets regularly and there are scheduled meetings each year. Board meetings are customarily held outside Jamaica. All directors are expected to attend each Board meeting unless there are exceptional circumstances to prevent them from doing so.

Directorships & Executive Positions

6.3 The following directors of the Company are also directors of other companies in the Sagicor Group of Companies as shown below:

<i>Directors</i>	<i>Other directorships in Sagicor Group</i>
Richard Byles	Sagicor Group Jamaica Limited Sagicor Life Jamaica Limited Sagicor Bank Jamaica Limited Sagicor Investments Jamaica Limited Sagicor Life of the Cayman Islands Ltd Sagicor Insurance Brokers Limited Sagicor Property Services Limited Sagicor Pooled Investment Funds Limited
Hon. R. Danvers Williams, O.J.	Sagicor Group Jamaica Limited Sagicor Life Jamaica Limited Sagicor Pooled Investment Funds Limited
Michael Fraser	Sagicor Life of the Cayman Islands Ltd Sagicor Insurance Brokers Limited
Dr. Patricia Downes-Grant	Sagicor Life Inc.
Stephen McNamara	Sagicor Life Inc. Sagicor Financial Corporation
Rohan Miller	Sagicor Investments Jamaica Limited

PART 12 - ADDITIONAL INFORMATION (Cont'd)

Richard Byles, the Chairman of X Fund is also President and Chief Executive Officer of Sagicor Life Jamaica Limited. Michael Fraser is also President & Chief Executive Officer of Sagicor Life of the Cayman Islands Ltd. Rohan Miller, the Chief Executive Officer of X Fund, is also Executive Vice President and Chief Investment Officer of Sagicor Life Jamaica Limited and Sagicor Life of the Cayman Islands Ltd.

7. **Material Litigation**

The Company is not involved in any litigation, arbitration or other legal proceedings in Jamaica, Saint Lucia or in any other jurisdiction and the Board is not aware of any circumstance which would give rise to any such litigation, arbitration or other proceedings.

8. **Taxation**

8.1 The Company is an International Business Company registered in Saint Lucia. It has elected to pay income tax in Saint Lucia at the rate of 1% of its taxable profits. In addition it is exempt from withholding tax, capital gains tax and stamp duties in Saint Lucia. If all Board Meetings are held outside Jamaica and all policy decisions affecting the Company are made at such Board Meetings then, under current income tax law as interpreted and applied in Jamaica, the Company should not be treated as resident in Jamaica for tax purposes. In such circumstances dividends paid by the Company to Jamaican residents and other residents in a country which is a party to the CARICOM Double Taxation Treaty would be taxed at zero rate in the country in which the Company is resident (i.e. Saint Lucia) and will not be taxed in Jamaica or in the other CARICOM treaty country in which the shareholder resides.

8.2 The above brief tax analysis is based on current tax laws and practice as customarily administered by the Jamaican tax authorities. No assurance can or is hereby given that the foregoing tax regime or the manner in which it is administered may not change in the near future.

Transfer Pricing

8.3 The Government of Jamaica has announced its intention to introduce transfer pricing legislation. Such legislation, if promulgated, could affect the Company in a number of ways including its tax residency and intercompany relationships such as the Management and Administrative Services Agreement which the Company has with Sagicor Life Jamaica Limited.

Relationship with Aimbridge Hospitality LP

8.4 The Company owns units in Sigma Real Estate Portfolio which owns among other properties three (3) hotels in Jamaica; namely The Jewel Dunn's River Beach Resort and Spa, Jewel Runaway Bay Beach & Golf Resort and Jewel Paradise Cove Beach Resort & Spa. In January 2015 the Company acquired a 4th hotel (Hilton Rose Hall Beach Resort and Spa) through X Fund Properties Limited (a wholly-owned subsidiary of the Company). All four (4) hotels are managed by Aimbridge Hospitality LP, a Texas limited partnership ("Aimbridge"). Aimbridge currently operates approximately 185 hotels (25,000 rooms) worldwide. The Hotel Management Agreement with Aimbridge is among the documents available for inspection.

8.5 Upon acquisition of the DoubleTree by Hilton at Entrance to Universal, Orlando, it intends to put the Hotel under the management of Aimbridge pursuant to the terms of the existing Hotel Management Agreement.

PART 12 - ADDITIONAL INFORMATION (Cont'd)

9. **Material Contracts**

The following contracts are or may be material:

<i>Date</i>	<i>Other Contracting Party</i>	<i>General Nature</i>
June 3, 2013	Sagicor Life Jamaica Limited	The provision of management and administrative services to the Company.
January 20, 2015	Aimbridge Hospitality LP	Hotel Management.
June 25, 2015	Meristar Sub 5G, LP	Sale and purchase of the Hotel ⁵

Consents

PricewaterhouseCoopers, the auditors of the Company have given and have not withdrawn their consent to the inclusion therein of extracts from its reports set out in **Part 11** and the reference to its reports and its name in the form and context in which they are respectively included and referred to herein.

10. **Documents Available for Inspection**

Copies of the following documents will be available for inspection by any Shareholder during normal business hours on any Business Day during the hours of 9:00 a.m. to 4:00 p.m. at the offices of **Patterson Mair Hamilton**, at Temple Court, 85 Hope Road, Kingston 6, Jamaica, up to and including the 2nd day of September 2015 or such later date on which this Rights Issue closes:

- (a) Articles of Association of the Company;
- (b) the Hotel Management Agreement with Aimbridge Hospitality LP;
- (c) the Agreement of Purchase and Sale by and among Meristar Sub 5G LP (as seller) and X Fund Properties Limited (as buyer);
- (d) the unaudited accounts of the Company for the 3-month period ending March 31, 2015;
- (e) the Annual Report of the Company (including its audited financial statements) for the year ended December 31, 2014;
- (f) the consent letters referred to in paragraph 9 above; and
- (g) this Rights Issue Circular.

11. **Announcement of the Results of the Rights Issue**

The Company will make an appropriate announcement in the Press giving details of the results of the Rights Issue within three (3) Business Days of Closing.

⁵ The contracting purchaser under this Agreement is X Fund Properties Limited.

PART 13 - IMPORTANT INFORMATION

Overseas Selling Restrictions

1. The offer of the Rights in, or to persons resident in, or to citizens of, a jurisdictions outside Jamaica or to persons who are custodians, nominees or trustees for residents of jurisdictions outside Jamaica may be affected by the laws of the relevant jurisdictions. Persons not resident in Jamaica should inform themselves about and observe any applicable legal requirements. It is the responsibility of any person outside Jamaica wishing to take up his Rights to satisfy himself as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Persons other than residents of the Restricted Jurisdictions (as identified below) wishing to take up their Rights should not use the mail service of any of the Restricted Jurisdictions or the mail service of any other foreign country where such action may constitute a breach of any legal or regulatory requirement of such jurisdictions (herein called “Affected Foreign Country”) or any means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. Envelopes containing Provisional Acceptances Letters or Application for Share from the Un-allocated Pool or other relevant documents relating to the purchase of Shares should not be postmarked in any of the Restricted Jurisdictions or any Affected Foreign Country or otherwise dispatched from any of the Restricted Jurisdictions or any Affected Foreign Country. Any application which violates this provision will be deemed invalid in the absence of proof satisfactory to Sagicor X Fund that such acceptance was not in violation of the laws of any jurisdiction outside Jamaica.

2. THE DOCUMENT IS NOT INTENDED TO BE, AND IN NO CIRCUMSTANCES SHOULD IT BE CONSTRUED AS, AN OFFER TO SELL DIRECTLY OR INDIRECTLY SHARES TO ANY RESIDENT OF THE UNITED STATES OF AMERICA OR ITS TERRITORIES OR POSSESSIONS, CANADA, AUSTRALIA OR JAPAN (COLLECTIVELY THE “RESTRICTED JURISDICTIONS”) OR TO SELL SHARES TO A US PERSON (A “US PERSON”) WITHIN THE MEANING OF REGULATION “S” UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED).

3. If notwithstanding the restrictions described above, any person pursuant to a contractual or other legal obligation or otherwise forwards this document, or any related document in, into or from any of the Restricted Jurisdictions or any Affected Foreign Country or uses the mail service or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or electronic mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of any of the Restricted Jurisdictions or any Affected Foreign Country in connection with such forwarding, such person should (i) forthwith inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient and (iii) draw the attention of the recipient to this Appendix 5.

4. An application for Shares will be rejected if the Applicant’s address on the Form of Application is an address in any of the Restricted Jurisdictions or any Affected Foreign Country and in the case of an Affected Foreign Country, he fails to satisfy Sagicor X Fund that the purchase of the Share(s) will not violate the laws and regulations of such Affected Foreign Country.

5. An Applicant of Shares shall be deemed to represent and warrant irrevocably (so as to bind him, his personal representatives, heirs, successors and assigns) that:

(a) he is not a resident of any of the Restricted Jurisdictions and is not a US Person;

PART 13 - IMPORTANT INFORMATION (Cont'd)

(b) in connection with the transaction there has been no use, directly or indirectly of the mail service, or other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or electronic mail or any electronic publication or advertisement) of foreign or interstate commerce, or any facility of a national securities exchange of any of the Restricted Jurisdictions or any Affected Foreign Country;

(c) if such applicant is a citizen, resident or national of a jurisdiction other than Jamaica and other than the Restricted Jurisdictions, he has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or other requisite payments due from him in each case in connection with the transaction and that he has not taken or omitted to take any action which will or may result in a violation of the law.

PART 14- HOW TO APPLY FOR SHARES

1. The number of shares provisionally allotted to you is set out under **Box 2** of the Table which appears on the first page of your **Provisional Allotment Letter**. You may apply for all the shares provisionally allotted to you or for only some of such shares. The subscription price for each share is J\$6.95.

(a) HOW TO APPLY FOR PROVISIONALLY ALLOTTED SHARES

2. If you wish to take up all the shares provisionally allotted to you then you should simply sign the **Provisional Allotment Letter** on the last page and return the form to:

Sagicor Investments Jamaica Limited
85 Hope Road
Kingston 5

or to your securities dealer

along with a cheque payable to Sagicor Real Estate X Fund Limited for the amount shown under **Box 3** of the Table set out in your Provisional Allotment Letter.

3. **Your Provisional Allotment Letter and cheque should reach Sagicor Investments or your securities dealer by 4:30 p.m. on September 2, 2015 or such later date as may be announced as the closing date (“the Closing Date”).**

(b) HOW TO APPLY FOR SOME OF YOUR PROVISIONALLY ALLOTTED SHARES

4. If you are provisionally allotted say 2,000 shares and you wish to take up only 1,000 shares then you should insert in **Box 4** of the Table in your **Provisional Allotment Letter** the number of shares you want to take up. Multiply that number by J\$6.95 to arrive at the amount you should pay. Sign the Provisional Allotment Letter and return the form along with your cheque for the number of shares you wish to take up.

5. Send the form to Sagicor Investments (see address above) or your securities dealer with your cheque. **Note that your completed form and cheque must reach Sagicor Investments or your securities dealer by 4:30 p.m. September 2, 2015 or such later date as may be announced as the closing date (the Closing Date).**

(c) HOW TO APPLY FOR ADDITIONAL SHARES FROM THE UN-ALLOCATED POOL

6. If in addition to taking up all the shares provisionally allotted to you, you also wish to purchase additional shares from the Un-allocated Pool then insert under **Box 5** of the Table in

PART 14- HOW TO APPLY FOR SHARES (Cont'd)

your **Provisional Allotment Letter** the number of additional shares you wish to purchase. Multiply that number by J\$6.95 to determine the additional price you will have to pay for such additional shares. Return the signed Provisional Allotment Letter to Sagicor Investments (see address above) or your securities dealer along with your cheque for all the shares you wish to purchase. **Note that your completed form and cheque must reach Sagicor or your securities dealer by 4:30 p.m. September 2, 2015 or such later date as may be announced as the closing date (the Closing Date).**

7. Shareholders may also pay by Real Time Gross Settlement ("RTGS") using the following RTGS transfer details:

Beneficiary Bank	:	Sagicor Bank Jamaica Limited
BOJ Bank A/C Number	:	1058
BIC Code	:	SAJAJMKN
For Further Credit to	:	Sagicor Investments X Fund A/C No 5501809081

8. Note that if there is over-subscription for shares from the Un-allocated Pool you may not be allocated all the shares that you applied for from the Un-allocated Pool. In such a case all applications for shares in the Un-allocated Pool will be scaled down *pro rata* based on the number of shares applied for.

9. There is also a separate Application for Additional Shares Form which you can use to apply for additional shares from the Un-allocated Pool. This form may be completed and used at any time before the expiration of the Closing Date. You could use it in addition to your Provisional Allotment Letter or if you have already submitted your Provisional Allotment Letter you could complete the Application for Additional Shares Form to buy additional shares from the Un-allocated Pool.

10. If you are allocated less than the number of Shares for which you have applied from the Un-allocated Pool then a refund cheque will be sent to you as soon as possible after the Closing but in any event not later than fourteen (14) days after the Closing.

Help Desk

Shareholder Help-line telephone numbers and emails

Jermaine Deans:
jermaine_deans@sagicor.com
 (876) 764 - 0319
 (876) 929-5583, ext. 8941

Mischa McLeod-Hines:
mischa_mcleodhines@sagicor.com
 (876) 764 - 0325
 (876) 929-5583, ext. 8943

Please note that, for legal reasons, the Shareholder Help-line will only be able to provide information contained in this document and will be unable to give advice on the merits of the Rights Issue or to provide legal, tax, financial or other advice.



REAL ESTATE X FUND



Sagicor

REAL ESTATE X FUND

www.sagicorjamaica.com

