



Sagicor

SELECTFUNDS

YOUR SHARE <sup>OF</sup>  
**WEALTH**

# PROSPECTUS

FOR LISTING ON THE MAIN MARKET OF THE  
JAMAICA STOCK EXCHANGE



Sagicor  
Investments

LEAD ARRANGER  
AND LEAD BROKER

# PROSPECTUS

Dated: June 12<sup>th</sup>, 2019

A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to Section 40(2) of the Companies Act 2004 and was so registered on June 18<sup>th</sup>, 2019. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

A copy of this Prospectus was also delivered to the Financial Services Commission for registration pursuant to section 26 of the Securities Act and was so registered on June 19<sup>th</sup>, 2019. The Financial Services Commission has not approved the Shares for which subscription is invited nor has the Commission passed upon the accuracy or adequacy of this Prospectus.



## Invitation for Subscription

**Up to 2,500,000,000 "Class B" Redeemable Voting and Participating Ordinary Shares at the Subscription Price of \$1.00 per Share, subject to any discounts offered for the Reserved Share Applicants and subject to the Company's right to upsize the offer by an additional 1,500,000,000 "Class B" Ordinary Shares at the Subscription Price of \$1.00 per Share, including Shares offered to Reserved Share Applicants  
Payable in Full on Application**

**Please note that the Jamaica Central Securities Depository charges an application fee of approximately \$140 plus General Consumption Tax (\$163.10) in respect of each application**

## **Sagicor Select Funds Limited**

**Registered and Head Office: 85 Hope Road, Kingston 6, Saint Andrew, JAMAICA**

**Telephone: (876) 929-8920**

**Website: [www.sagicorjamaica.com](http://www.sagicorjamaica.com)**

The Company has made 2,500,000,000 Shares available for subscription by the general public at the Subscription Price with the right to upsize the offer by an additional 1,500,000,000 Shares for subscription by the general public at the Subscription Price, and within the aforementioned offer, 1,000,000,000 Shares ("**the Reserved Shares**") are initially reserved for priority Application from, and subscription by, the following persons:

- (a) 500,000,000 Shares (**“the Sigma Client Shares”**) which shall be made available to persons who are unit holders of Sagicor Sigma Funds as at May 31<sup>st</sup>, 2019 (**“Sigma Unit Holders”**) at the Reserved Subscription Price; and
- (b) 500,000,000 Shares (**“the Sagicor Employee Shares”**) which shall be made available to employees within the Sagicor Jamaica Group of Companies (**“Sagicor Employees”**) at the Reserved Subscription Price

If any of the Reserved Shares are not subscribed for by the persons entitled to them they will become available for subscription by the general public at the Subscription Price. This policy will be applied absolutely across all categories of Reserved Shares as set out in paragraphs (a) to (b) above. See Section 6.5 of this Prospectus for the terms and conditions of the Invitation.

An Application Form in respect of the Shares is provided at the end of this Prospectus (Appendix 1), together with notes on how to complete it for all applicants (both Reserved Share Applicants and the general public). The subscription list for the Shares will open at 9:00 a.m. on July 3<sup>rd</sup>, 2019. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. The subscription list for the Shares will close at 4:30 p.m. on the Closing Date, July 17<sup>th</sup>, 2019, subject to the right of the Company to (a) close the subscription list at any time after it opens on 9:00 a.m. on the Opening Date once the issue is fully subscribed and (b) extend the Closing Date for any reason, subject to the provisions of section 48 of the Companies Act.

In the event of an early closing of the subscription list, or an extension of the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange ([www.jamstockex.com](http://www.jamstockex.com)). It is the intention of the Company to apply to the JSE for admission of the Shares to the Main Market. The application to the JSE is dependent upon the Company's ability to: (i) raise at least \$500,000,000 as a result of the Invitation; and (ii) meet the criteria for admission. Please note that this statement of the Company's intention is not a guarantee that the Shares will in fact be admitted to trading on the Main Market. If, however, the Invitation is not fully subscribed and the Company does not raise at least \$500,000,000 as a result of it, the Company will not make an application for the Shares to be admitted to the Main Market and all applications will be returned to the persons making them, along with any payments made pursuant thereto.

**SHARE CAPITAL**

**Authorised Share Capital**

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Ordinary shares without par value across all share classes (Classes A through to E):	<b>INDEFINITE</b>
Maximum to be issued fully paid in the Invitation assuming the Company's right to upsize the Invitation is fully-utilized, including the 1,000,000,000 Reserved Shares:	4,000,000,000
Maximum issued fully paid shares assuming the Company's right to upsize the Invitation is fully utilized inclusive of Shares issued prior to the IPO:	5,100,000,000

**TOTAL CONSIDERATION OF THE INVITATION**

a. If minimum, as per section 48 of the Companies Act, raised:	<b>\$500,000,000</b>
b. If minimum raised, as per Invitation (including Reserved Shares):	<b>\$2,480,000,000</b>
c. If maximum raised, as per Invitation (pursuant to right to upsize by an additional \$1,500,000 and including Reserves Shares):	<b>\$3,980,000,000</b>

Details of the issued share capital of the Company prior to and after the Invitation, assuming that it is fully subscribed, are set out in Section 7.6 of this Prospectus.

# **TABLE OF CONTENTS**

<b><u>Section</u></b>	<b><u>CONTENT</u></b>	<b><u>Page</u></b>
1.	Important Disclaimers	6
2.	Summary of Key Information on the Invitation	7
3.	Letter to Prospective Investors	9
4.	Definitions used in this Prospectus	13
5.	Disclaimer – Forward Looking Statements	15
6.	The Invitation	16
7.	Information about the Company	21
8.	Directors and their Interests	27
9.	Management Discussion and Analysis	30
10.	Historical Financial Index Performance	34
11.	Accountant’s Report and Financial Projections	35
12.	Risk Factors	44
13.	Professional Advisors to the Company and the Fund	45
14.	Statutory and General Information	46
15.	Documents available for Inspection	50
16.	Directors’ Signatures	51
Appendix 1	Application Form	52

## Section 1

## Important Disclaimers

### Responsibility for the Contents of this Prospectus

This Prospectus has been reviewed and approved by the Board of Directors of the Company. The Directors of the Company whose names appear in Section 8 of this Prospectus are the persons responsible (both individually and collectively) for the information contained in it. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and no information has been omitted which is likely to materially affect the import of information contained herein.

Neither the FSC nor any Government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in the Prospectus.

### Contents of the Prospectus

**This Prospectus contains important information for prospective investors in the Company. All prospective investors should read the Prospectus carefully in its entirety before submitting an Application Form.**

This Prospectus also contains summaries of certain documents which the Board of Directors of the Company believe are accurate. Prospective investors may wish to inspect the actual documents that are summarized, copies of which will be available for inspection as described in Section 15. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

No person is authorised to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained in this Prospectus.

### The Invitation is made to Jamaican Residents in Jamaica Only

This Prospectus (the “**Prospectus**”) is intended for use in Jamaica only and is not to be construed as making an invitation to persons outside of Jamaica to subscribe for any Shares. The distribution or publication of this Prospectus and the making of the invitation in certain jurisdictions outside of Jamaica is prohibited by law.

### Application to Subscribe for Shares

This Prospectus is not a recommendation by the Company that prospective investors should submit Application Forms to subscribe for Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Shares, including but not limited to any tax implications.

Each Applicant who submits an Application Form acknowledges and agrees that:

- (i) He/she has been afforded a meaningful opportunity to review the Prospectus (including the terms and conditions in section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus; and
- (ii) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application Form.

## **Section 2** **Summary of Key Information on the Invitation**

<b>Issuer:</b>	Sagikor Select Funds Limited
<b>Securities:</b>	Up to 2,500,000,000 Shares, with right to upsize by an additional 1,500,000,000, inclusive of 1,000,000,000 Reserved Shares*
<b>Subscription Price:</b>	\$1.00 per Share, excluding the Reserved Shares, payable in full on application
<b>Reserved Subscription Price:</b>	\$0.98 per Share for the Reserved Shares, payable in full on application
<b>Minimum Subscription:</b>	1,000 Shares, with incremental purchases of 1,000 Shares
<b>Application Form:</b>	See Appendix 1 of the Prospectus
<b>Terms and Conditions:</b>	See Section 6.5 of the Prospectus
<b>Acceptable Payment Method:</b>	Either: (1) Manager's Cheque payable to " <b>Sagikor Investments Jamaica Limited</b> "; (2) cleared funds held in a Sagikor Investments account; or (3) Transfer or direct deposit to Sagikor Investments (details set out in the Application form attached herein). Absolutely no cash payments will be accepted.
<b>Timetable of Key Dates:</b>	<p><b>Registration of Prospectus at the Companies Office:</b> June 18<sup>th</sup>, 2019</p> <p><b>Registration of Prospectus at the FSC:</b> June 19<sup>th</sup>, 2019</p> <p><b>Publication of Prospectus:</b> June 20<sup>th</sup>, 2019</p> <p><b>Opening Date</b> 9:00 A.M. July 3<sup>rd</sup>, 2019</p> <p><b>Closing Date</b> 4:30 P.M. July 17<sup>th</sup>, 2019 See ** below</p>
<b>Early Applications:</b>	All application forms must be submitted to Sagikor Investments, along with the requisite payment, in immediately available funds, at the locations set out in Section 6.5. Early applications may be submitted to Sagikor Investments. Any such applications will be received, but not processed until the Opening Date. All early applications will be treated as having been received at the same time, being 9:00 a.m. on the Opening Date, and shall be allotted <i>pro rata</i> . All other applications (that is, not early applications) will be received and processed on a first come, first served basis.***
<b>Confirmation of Share Allotments:</b>	All Applicants may refer to the confirmation instructions that will be posted on the website of the Jamaica Stock Exchange ( <a href="http://www.jamstockex.com">www.jamstockex.com</a> ) after the Closing Date (or the extended Closing Date, as the case may be)
<b>Returned Applications / Refunds</b>	Available for collection where originally submitted (Sagikor Investments) within ten (10) days of the Closing Date (or the extended Closing Date, as the case may be)
<b>Final Allotment and Admission of Shares to Main Market</b>	Within three (3) to four (4) weeks of the Closing Date. ***

\*Up to 1,000,000,000 Reserved Shares in the Invitation are reserved for priority Application from, and subscription by, the Reserved Share Applicants at the prices set out on page 2 herein. If any of the Reserved Shares are not absolutely subscribed by the Sigma Unit Holders and/or the Sagikor Employees they will become available for subscription by the general public at the Subscription Price.

\*\*The subscription list will close at 4:30 p.m. on the Closing Date: July 17<sup>th</sup>, 2019 subject to the right of the Company to (a) close it at any time after 9:00 a.m. on the Opening Date: July 3<sup>rd</sup>, 2019 once the issue is fully sold and subscribed and (b) extend the Closing Date for any reason, subject to the provisions of section 48 of the Companies Act. In either case, notice will be posted on the website of the JSE ([www.jamstockex.com](http://www.jamstockex.com)).

\*\*\*It is the intention of the Company to apply to the Board of the JSE for admission of the Shares to trading on the Main Market. The application for admission is dependent on the Company's ability to (i) raise a minimum of \$500,000,000 as a result of the Invitation made in the Prospectus and (ii) meet the criteria for admission set out in the Main Market Rules. Please note that this statement of the Company's intention is not a guarantee that the Shares will in fact be admitted to trading on the Main Market. If, however, the Invitation is not fully subscribed and the Company does not raise at least \$500,000,000 as a result of it, the Company will not make an application for the Shares to be admitted to the Main Market and all applications will be returned to the persons who made them, along with any payments made in relation thereto.





## Sagicor Select Funds Limited

Registered and Head Office: 85 Hope Road, Kingston 6, Saint Andrew, JAMAICA

Telephone: (876) 929-8920

Website: [www.sagicorjamaica.com](http://www.sagicorjamaica.com)

Dear Prospective Investors,

The Directors of the Company are pleased to invite you to subscribe and purchase up to four billion (4,000,000,000) Shares in the capital of the Company on the terms and conditions set out in this Prospectus.

The Company was been structured as a passive Listed Equity Fund (“LEF”) whereby separate classes of shares of the Company (save for the Management Class, *as defined herein*) each represent a separate fund of the Company. In the Invitation, the “Class B” ordinary shares of the Company are being offered in the Invitation as “**the Financial Select Fund**”.

**This will be the first time that a LEF comprised of shares and stocks listed on the JSE that tracks an index will be offered to the Jamaican investing public.**

The Financial Select Fund will primarily invest in securities that are listed on the JSE (the Junior Market and the Main Market) and its investment objective is to track the Financial Index or Index (*as defined herein*) which is an index established by the Jamaica Stock Exchange. Investors will be able to track the value of the Index, the Net Asset Value (NAV) of the Financial Select Fund and the market value of the Financial Select Fund on a daily basis. These statistics will be published on the JSE’s website and the Sagicor Investments Jamaica Limited website on a daily basis. According to the JSE, as at March 1<sup>st</sup>, 2019, the Financial Index is comprised of the following equity securities and is calculated using the weighted average market capitalization method:

Financial Index				
COMPANIES	TICKER	Market Value	Weight	
NCB FINANCIAL GROUP LIMITED	NCBFG	356.8	38.17%	
SCOTIA GROUP JAMAICA	SGJ	165.5	17.70%	
SAGICOR GROUP JAMAICA	SJ	156.7	16.75%	
PANJAM INVESTMENT LIMITED	PJAM	84.8	9.07%	
JMMB GROUP LIMITED	JMMBGL	53.3	5.70%	
BARITA INVESTMENTS LIMITED	BIL	22.5	2.41%	
PROVEN INVESTMENTS LIMITED	PROVEN	17.5	1.87%	
ACCESS FINANCIAL SERVICES LIMITED	AFS	13.5	1.45%	
JAMAICA STOCK EXCHANGE	JSE	12.5	1.34%	
MAYBERRY INVESTMENTS LTD.	MIL	10.9	1.17%	
MAYBERRY JAMAICAN EQUITIES LTD.	MJE	10.8	1.16%	
VICTORIA MUTUAL INVESTMENTS LIMITED	VMIL	5.7	0.61%	
LASCO FINANCIAL SERVICES LIMITED	LASF	5.6	0.60%	
GENERAL ACCIDENT INSURANCE COMPANY	GENAC	4.6	0.49%	
SYGNUS CREDIT INVESTMENTS LIMITED	SCIJMD	2.6	0.27%	
PORTLAND JSX LIMITED	PJX	2.4	0.25%	
EPPLEY LIMITED	EPLY	2.1	0.23%	
SYGNUS CREDIT INVESTMENTS LIMITED	SCIJA	1.9	0.20%	
ISP FINANCE	ISP	1.4	0.15%	
STERLING INVESTMENTS LIMITED	SIL	1.2	0.13%	
KEY INSURANCE COMPANY	KEY	1.1	0.12%	
SSL VENTURE CAPITAL JAMAICA LIMITED	SSLVC	0.8	0.08%	
IRONROCK INSURANCE COMPANY	ROC	0.7	0.08%	
<b>Total Market Cap J\$B</b>		\$934.99		
Number of Companies		23		
<b>Price/Earning Ratio (weighted)</b>			14.69	

The Financial Select Fund seeks to provide investment results that, before expenses and fees, correspond generally to the price and yield performance of the securities that comprise the Financial Index. Details of the applicable expenses and fees are set out in Sections 6 and 7 of this Prospectus.

Some of the advantages of this LEF include:

1. Diversification and Liquidity

By purchasing one (1) security, the investor is able to derive the benefits of indirectly investing in a diverse portfolio of securities within a particular sector, including the risk management benefits inherent in investment diversification. In this instance, the Jamaican financial sector. Ordinarily, investors may find it difficult to secure well-performing securities for purchase on the JSE due to the high demand for such securities. Further, the investors financial resources creates inherent limitations in an investors ability to purchase all of the securities that comprise an index, and in this instance the Financial Index. The investors are therefore able to buy one (1) security and immediately derive the benefits of investing in all securities listed on the JSE that comprise the Jamaican financial sector.

2. Cost-Effectiveness

When investors trade an LEF on the JSE, they will only incur the trade fees associated with trading one (1) security, as opposed to the trade fees that would be chargeable on trading all of the securities that comprise the Financial Index. Also, there are no load fees payable (juxtaposed to what may be the case with a mutual fund) and the management fees charged by the Manager of the Financial Select Fund are relatively lower compared to management fees typically charged by mutual funds.

3. Tax-Efficiency

Trades of the LEFs on the Main Market of the JSE are exempt from Transfer Tax and Stamp Duty.

4. Easy Entry and Exit

As the LEFs will trade on the Main Market of the JSE, investors may buy and sell the LEFs on any day the Main Market for the JSE is open for trading and may take advantage of any facilities afforded to investors trading securities on the JSE.

5. Certainty of Information

The Company and the Valuation Agent are required to publish the Index, the NAV of the Financial Select Fund and the securities (assets) that comprise the Financial Select Fund on a daily basis. This information may be compared with the market value of the Financial Select Fund.

6. Passive Management

The objective of the Financial Select Fund is to track the Index, which measures the performance of the financial companies listed on both the Main and Junior Markets of the JSE. Rather than seeking to outperform the Index, the Financial Select Fund is designed to mirror the performance of the Index. As such the Manager may make periodic adjustments to the allocation of the Financial Select Fund to achieve this objective. This compares to the progressive management style required of the typical managed fund, that usually tries to achieve a higher return than that which its underlying assets enjoys. The corollary of this is that the risk profile of the Financial Select Fund and its management fees would be lower than that of a typical managed fund.

These numerous advantages may be realised by investors subscribing for Shares in the Financial Select Fund whereby same seeks to raise J\$2.5 Billion, with the right to up-size an additional J\$1.5 Billion.

This is a pioneering initiative by Sagicor Investments which seeks to revolutionize and invigorate the capital markets, to increase the investment options that are available to investors and to increase the liquidity of the securities that trade on the JSE.

Further details of the Company and the Financial Select Fund are set out in Section 7 herein.

You are hereby invited to participate in this exciting and historic chapter in the evolution of the securities and capital markets in Jamaica as the Company seeks to democratize listed securities, more particularly those that relate to the financial sector, for the benefit of the Jamaican public.

Yours sincerely,  
For and on behalf of the Company



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Mr. Colin Steele  
**CHAIRMAN**

## Section 4

## Definitions Used in This Prospectus

<b>Act</b>	means the Companies Act, 2004
<b>Allotment</b>	means the allotment of the Shares to successful Applicants by Jamaica Central Securities Depository Limited, in its capacity as registrar and transfer agent of the Company, on its behalf
<b>Applicant</b>	means a person (being an individual or a body corporate resident in Jamaica, whether a Reserved Share Applicant, or a member of the general public) who submits an Application in accordance with the terms and conditions of this Prospectus
<b>Application Form</b>	means the Application Form to be completed by Applicants who wish to make an offer to subscribe for Shares in the Invitation which is set out in Appendix 1 hereof
<b>Articles of Incorporation</b>	means the Articles of Incorporation of the Company as they may be amended by the shareholders of the Company from time to time)
<b>Audit Committee</b>	means the audit committee of the Board of Directors
<b>Accountant's Report</b>	means the report of PricewaterhouseCoopers, Chartered Accountants set out in Section 11
<b>Board of Directors</b>	means the Board of Directors of the Company, details of which are set out in Section 8 of the Prospectus
<b>Company</b>	means Sagicor Select Funds Limited, a company duly incorporated under the Laws of Jamaica, bearing company number: 99,206, and whose registered office is located at 85 Hope Road, Kingston 6, Saint Andrew, Jamaica
<b>Closing Date</b>	means the date on which the subscription list in respect of the Invitation closes, being 4:30 p.m. on July 17 <sup>th</sup> , 2019 subject to the right of the Company to either shorten or extend the subscription period in the circumstances set out in the Prospectus
<b>Corporate Governance Committee</b>	means the corporate governance committee of the Board of Directors
<b>Director</b>	means a director of the Company
<b>Financial Select Fund</b>	means the "Class B" ordinary shares of the Company from which the Shares are offered in the Invitation
<b>Forward Looking Statements</b>	means the forward looking statements referred to in Section 5 of the Prospectus, which are disclaimed by the Company on the terms and for the reasons set out therein
<b>FSC</b>	means the Financial Services Commission in Jamaica
<b>Index/Financial Index</b>	means the index created by the JSE which is constituted of equity securities listed on the JSE from the financial sector
<b>Invitation</b>	means the invitation to subscribe for 2,500,000,000 Shares, subject to the Company's right to upsize the offer by an additional 1,500,000,000 Shares at the Subscription Price on the terms and conditions set out in Section 6.5 of the Prospectus
<b>IPO</b>	means "initial public offering" being one (1) of the five (5) methods of listing securities on the JSE, as per the Main Market Rules
<b>JSE</b>	means the Jamaica Stock Exchange
<b>Main Market</b>	means the Main Market of the JSE
<b>Manager</b>	means Sagicor Investments
<b>Management Agreement</b>	means the Management Agreement executed by and between Sagicor Investments (as Manager of the Financial Select Fund) and the Company
<b>Management Class</b>	means the "Class A" ordinary shares in the capital of the Company

<b>Management Share</b>	means the one (1) "Class A" ordinary share issued to Sagicor Investments, in its capacity as Manager of the Financial Select Fund
<b>NAV</b>	the Net Asset Value of the Financial Select Fund, as calculated by the Valuation Agent on a daily basis
<b>Opening Date</b>	means the date on which the subscription list in respect of the Invitation opens, being 9:00 a.m. on July 3 <sup>rd</sup> , 2019
<b>Prospectus</b>	means this document, which constitutes a prospectus for the purposes of the Companies Act, 2004 and the Securities Act
<b>RTGS</b>	means the Real Time Gross Settlement System implemented by the Bank of Jamaica
<b>Registrar</b>	means Jamaica Central Securities Depository Limited
<b>Remuneration Committee</b>	means the remuneration committee of the Board of Directors
<b>Reserved Shares</b>	means up to 1,000,000,000 Shares in the Invitation which are specifically reserved for Application from, and subscription by, the Reserved Share Applicants at the Subscription Price.
<b>Reserved Share Applicants</b>	means the persons (as referred to herein) who are entitled to subscribe for Reserved Shares in their respective categories, namely: the Sigma Unit Holders and the Sagicor Employees
<b>Reserved Subscription Price</b>	means \$0.98 per Share
<b>Sagicor Investments</b>	means Sagicor Investments Jamaica Limited, a company duly incorporated under the Laws of Jamaica, bearing company number: 62,008 and whose registered office is located at 85 Hope Road, Kingston 6, Saint Andrew, Jamaica and being, <i>inter alia</i> , the lead broker to the Company for the purposes if the Invitation
<b>Shares</b>	means the "Class B" redeemable voting and participating ordinary shares without par value in the capital of the Company, inclusive of the up to 4,000,000,000 Shares that are offered for subscription in the Invitation on the terms and conditions set out in this Prospectus, and the expression "Shares" shall include the Reserved Shares, where the context required and/or permits.
<b>Shareholders</b>	means the holders of Shares
<b>Subscription Price</b>	means \$1.00 per Share
<b>Terms and Conditions of the Invitation</b>	means the terms and conditions for Applicants set out in Sections 6.5 of the Prospectus
<b>Unaudited Financial Statements</b>	means the unaudited financial statements of the Company that are set out in Section 10 of the Prospectus
<b>Valuation Agent</b>	means JCSD Trustee Services Limited, who has been retained by the Company to calculate the NAV of the Financial Select Fund on a daily basis
<b>\$</b>	means Jamaican Dollars, unless otherwise indicated

## **Section 5** **Disclaimer - Forward Looking Statements**

Save for the Historical Financial Data concerning the Company contained in this Prospectus, certain matters discussed in this Prospectus, including without limitation, statements of expectations, the discussions of future plans and financial projections, contain forward-looking statements. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Directors believe that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Shares to the Main Market, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ materially from those in forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, the following:

- economic, social and other conditions prevailing both within and outside of Jamaica, including actual rates of growth of the Jamaican and regional economies, instability, high domestic interest rates or exchange rate volatility
- adverse climatic events and natural disasters
- unfavourable market receptiveness to any of the Company’s new products
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company
- any other factor negatively impacting on the realisation of the assumptions on which the Company’s financial projections are based
- other factors identified in this Prospectus
- other factors not yet known to the Company

**Neither the FSC, nor any Government agency or regulatory authority in Jamaica, has made any determination on the accuracy or adequacy of the matters contained in this Prospectus.**

## Section 6

## The Invitation

### 6.1 General Information

The Company is seeking to raise up to \$2.48 Billion from subscriptions for 2.5 Billion Shares (including subscriptions from the Reserved Share Applicants for the Reserved Shares at the Reserved Subscription Price). The Company has reserved the with the right to upsize the offer by an additional 1.5 Billion Share to be offered to the general public in the Invitation at the Subscription Price. Up to 1 Billion of the aforementioned Shares are Reserved Shares that are specifically reserved for Application from, and subscription by, the Reserved Share Applicants. Any Reserved Shares not taken up by the Reserved Share Applicants shall be made available for Application from, and subscription by, the general public.

Assuming that all of the 2.5 Billion to 4 Billion Shares are subscribed for and taken up by Applicants in the Invitation, the Company will make application to the JSE for the Shares to be admitted to the Main Market. If the application is successful, it is anticipated that the Shares will be admitted to trading within three (3) to four (4) weeks of the Closing Date (or the extended Closing Date, as the case may be). In the event that the Company does not raise at least \$500,000,000 and/or the Shares are not admitted to trade on the Main Market, all Applications will be returned to Applicants, along with any payments made in relation thereto.

**Prospective investors should read all of the sections referred to carefully together with the remainder of this document. Those prospective investors who wish to subscribe for Shares should also refer to the full terms and conditions set out in Section 6.5 before completing the Application Form set out in Appendix 1.**

### 6.2 Minimum Fundraising

For the purposes of section 48 of the Companies Act the minimum amount which, in the opinion of the Directors, must be raised as a result of the Invitation and received by the Company as a result of the subscription of its Shares in the Invitation in order to provide for the matters set out in paragraph two of the Third Schedule to the Act is \$500,000,000.

### 6.3 Use of Proceeds

It is the Company's intention to use the proceeds of the public offering in order to purchase additional securities in order to match the securities that constitute the Index as closely as possible.

The Company also intends to pay the expenses associated with the Invitation out of the fundraising proceeds. The Company estimates that the expenses in the Invitation will not exceed approximately Forty Million Dollars (J\$40,000,000) inclusive of General Consumption Tax, and shall include the following services:

- a. Arranger, financial advisory and brokerage fees;
- b. Legal fees;
- c. Auditor's and Accounting fees;
- d. Statutory fees including initial listing fees;
- e. Marketing expenses; and
- f. Registrar and Transfer Agent fees.

### 6.4 Key Dates

An Application Form for use by all Applicants is provided at Appendix 1 at the end of this Prospectus, together with notes on how to complete it. The subscription list for the Shares will open at 9:00 a.m. on the Opening Date: July 3<sup>rd</sup>, 2019 and will close at 4:30 p.m. on the Closing Date: July 17<sup>th</sup>, 2019, subject to the right of the Company to (a) close the subscription list at any time after 9:00 a.m. on the Opening Date: July 3<sup>rd</sup>, 2019 once the issue is fully subscribed and (b) extend the Closing Date for any reason. In either case, the Company will arrange for an informational notice to be posted on the website of the JSE ([www.jamstockex.com](http://www.jamstockex.com)). It is the intention of the Company to apply to the JSE for admission of the Shares to the Main Market. The application is dependent on the



Company's ability to (i) raise at least \$500,000,000 as a result of the Invitation and (ii) meet the criteria for admission. If such application is made and it is successful the Company expects the Shares to be admitted to trading on the Main Market within three (3) to four (4) weeks of the Closing Date (or the extended Closing Date, as the case may be) and for dealings to commence on that date. In the event that the Shares are not admitted to trading on the Main Market all Applications received by the Company will be returned to Applicants as set out in Section 6.5.

## 6.5 Terms and Conditions for Applicants

1. All Applicants must submit an Application Form as provided at Appendix 1 to this Prospectus. Reserved Share Applicants shall apply by indicating which pool of Reserved Shares is applicable.
2. All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus, including any terms and conditions set out in this Section 6 and Appendix 1.
3. Each Applicant acknowledges and agrees that:
  - (a) he/she has been afforded a meaningful opportunity to review the Prospectus (including the terms and conditions set out in this section 6.5), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus; and
  - (b) no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application Form.
4. Application Forms from the general public must request a minimum of 1,000 Shares and shall be made in multiples of 1,000. Application Forms from the general public in other denominations will not be processed or accepted.
5. All Application Forms must be submitted together with payment for the Shares in the form of either:
  - (a) a manager's cheque made payable to "**Sagicor Investments Jamaica Limited**"; or
  - (b) authorization from the Applicant on the Application Form, instructing Sagicor Investments to make payment from cleared funds held with Sagicor Investments in an investment account in the Applicant's name; or
  - (c) transfer or direct deposit to Sagicor Investments (details set out in the Application form attached herein).

All completed Application Forms must be delivered to Sagicor Investments at the following locations Islandwide:

<b>Branch</b>	<b>Location</b>
<b>Sagicor Investments - Hope Road (Head Office)</b>	<b>85 Hope Road Kingston 6</b>
<b>Sagicor Investments - Dominica Drive</b>	<b>17 Dominica Drive Kingston 5</b>
<b>Sagicor Investments - Montego Bay</b>	<b>Shop B8, 21B Fairview Shopping Centre Bogue Estates Montego Bay, St. James</b>
<b>Sagicor Investments - Duke and Tower Street</b>	<b>17A Duke Street Kingston</b>
<b>Sagicor Investments - Half Way Tree</b>	<b>6C Constant Spring Road Kingston</b>
<b>Sagicor Investments - Liguanea</b>	<b>106 Hope Road Kingston</b>
<b>Sagicor Investments - Tropical Plaza</b>	<b>Shop #25, 12 1/2 &amp; 14 Constant Spring Road Kingston</b>
<b>Sagicor Investments - Portmore</b>	<b>Portmore Pines Plaza Shop#34, Portmore St. Cathrine</b>
<b>Sagicor Investments – Ocho Rios</b>	<b>Unit 5&amp;6 Eight Rivers Town Centre, Buckfield Ocho Rios, St. Ann</b>
<b>Sagicor Investments - Savanna-La-Mar</b>	<b>Great George Street Savanna-La-Mar, Westmoreland</b>
<b>Sagicor Investments - Mandeville</b>	<b>5-7 Ward Avenue Mandeville, Manchester</b>
<b>Sagicor Investments - May Pen</b>	<b>6B Manchester Avenue May Pen, Clarendon</b>
<b>Sagicor Investments - Black River</b>	<b>Corner High and School Streets Black River, St. Elizabeth</b>

6. All Shares in the Invitation are priced at the Subscription Price of \$1.00 per Share, save for the Reserved Shares which are priced at the Reserved Subscription Price of \$0.98 per Share.
7. **Application Forms submitted to Sagicor Investments in advance of the Opening Date (early applications) will be received but not processed until the Opening Date. All advance applications will be treated as having been received at 9:00 a.m. on the Opening Date, July 3<sup>rd</sup>, 2019, and shall be allotted *pro rata*. All Application Forms received from 9:00 a.m. onwards on the Opening Date will be time stamped for processing in the order in which they were received. That is, the Application Forms will be processed on a first come, first served basis. Application Forms that meet the requirements set out in this Section 6.5 will be processed.**
8. For the purposes of paragraph 7. above the Directors of the Company, in their sole discretion, may:
  - (a) accept or reject any Application Form in whole or part without giving reasons, and neither the Company nor the Directors shall be liable to any Applicant or any other person for doing so;
  - (b) treat multiple Applications by any person (whether in individual or joint names) as a single Application, or accept or reject multiple applications in its sole discretion; and
  - (c) the Company may notwithstanding, that the intention of the Company is to allot the Shares on a first come, first served basis, reserve the right to allot the Shares to Applicants on a basis to be determined by it in its sole discretion in the event the Invitation is oversubscribed, including on a pro rata basis.
9. Neither the submission of an Application Form by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Shares by the Registrar on behalf of the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application Form) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Shares at the Subscription Price, subject to the Articles of Incorporation and these terms and conditions set out in Section 6.5.
10. If the Invitation is successful in raising at least \$500,000,000, and the Shares are admitted to trade on the Main Market, successful Applicants will be allotted Shares for credit to their account at the Registrar specified in their Application Forms. Applicants may refer to the informational notice that will be posted on the website of the JSE ([www.jamstockex.com](http://www.jamstockex.com)) after the Closing Date. Applicants who wish to receive share certificates must make a specific request to the Registrar.
11. With respect to refunds that are less than the RTGS threshold of \$1 Million, the Company will endeavour to return cheques for the amounts refundable to Applicants whose applications are not accepted, or whose application are only accepted in part, to Sagicor Investments within ten (10) days after the Closing Date (or the extended Closing Date, as the case may be) or as soon as practicable thereafter. Each refund cheque will be sent to Sagicor Investments for collection by the Applicant (or the first-named joint Applicant) stated in the Application Form. Any other persons purporting to collect a cheque on behalf of the Applicant must be authorised in writing by the Applicant(s) to do so. All refunds of a quantum greater than the RTGS threshold of \$1 Million, will be refunded via RTGS to the account of origin.
12. Applicants must be at least eighteen (18) years old. However, Applicants who have not yet attained the age of eighteen (18) years, may apply jointly with Applicants who are at least eighteen (18) years of age.

## **6.6 Contact information for Key Personnel in the Invitation**

Mrs. Mischa McLeod-Hines, Assistant Vice-President – Capital Markets, Sagicor Investments Jamaica Limited

Address: 85 Hope Road, Kingston 6, Saint Andrew

Telephone Number: (876) 764-0325

Mrs. Natalie Brown, Assistant Manager- Capital Markets, Treasury and Capital Markets, Sagicor Investments Jamaica Limited

Address: 85 Hope Road, Kingston 6, Saint Andrew

Telephone Number: (876) 733-8993

## Section 7

## Information about the Company

### 7.1 The Company

#### *Date of Incorporation*

The Company was incorporated on the 11<sup>th</sup> of January 2019 as a public company.

#### *Authorised Share Capital*

The Company has five (5) classes of ordinary shares without par value, all of which have the right to issue an indefinite number of ordinary shares without par value.

#### *Rights Attaching to Shares*

##### 1. **“Class A” Shares – non-redeemable voting ordinary shares without par value**

The “Class A” Shares shall have the rights ascribed to same, as per Article 27 and otherwise in the Articles of Incorporation and shall include the following rights:

*as to voting:* the “Class A” Shares shall carry a right to vote on each motion or matter. On a show of hands the holder of the “Class A” Share shall have one (1) vote and on a poll it shall have such number of votes as is equivalent to 51% of the aggregate number of votes capable of being cast in respect of all the relevant issued shares of the company (whether present in person or by proxy at the relevant meeting) of the relevant classes of Shares of the Company, as the case may be. The holder of the “Class A” Share shall have a right to demand a poll.

*as to capital:* On a return of assets in a winding up of the Company, the holder of the “Class A” Share shall be entitled to repayment of the J\$1.00 capital paid up on the “Class A” Share in priority to any payment to other members. The “Class A” Share confers no further right to receive dividends or to otherwise participate in the profits or assets of the Company or any of profits and assets ascribed to the other share classes; and

*as to income:* no dividends shall be payable on the “Class A” Share.

##### 2. **The “Class B”, “Class C”, “Class D” and “Class E” Shares shall all be redeemable voting and participating ordinary shares without par value (“Fund Shares”)**

Each of the aforementioned share classes shall have the following rights:

*as to voting:* on a show of hands every member present in person and holding shares carrying voting rights shall have one (1) vote. The holders of Fund Shares do not have the right to demand a poll. On a poll every member holding Fund Shares present in person or by proxy, shall have one (1) vote for each Fund Share of which he is the holder.

*as to capital:* each share class shall confer upon the holder of shares in that class the right in a winding up to participate in the surplus assets ascribed and segregated for that class of Fund Shares only.

*as to income:* each share class shall confer on the holders of shares in that class the right to receive dividends arising out of the income flowing from the assets specifically owned by and segregated for that share class.

### **Issued Share Capital**

<b>Name of Shareholder</b>	<b>Share Class</b>	<b>Number of Shares before Opening Date</b>
Sagicor Investments Jamaica Limited	Class A	One (1) share
Sagicor Sigma Fund	Class B	1.1Billion Shares

### **Management Share Class**

The “Class A” share class is the management share class with one (1) “Class A” share having been issued to Sagicor Investments Jamaica Limited, as Manager (“**the Management Share**”). The purpose of the Management Share is to ensure that the structure of the investments made by the company, and by extension the investment objectives of the Company, is not subverted by shareholders holding shares in the other share classes who may acquire substantial interest in the Company.

### **Functionaries to the Company and the Financial Select Fund**

#### **a. Manager**

As per the Management Agreement, Sagicor Investments was appointed by the Company as the manager of the Financial Select Fund to, *inter alia*, the equity securities that comprise the Financial Select Fund in order to ensure that same tracks the Index as closely as possible and liaise with the Valuation Agent.

The Manager’s fees are 0.5% p.a. of the NAV of the Financial Select Fund payable quarterly.

#### **b. Registrar and Transfer Agent**

The Jamaica Central Securities Depository Limited has been appointed as the Registrar and Transfer Agent by the Company.

#### **c. Valuation Agent**

JCSD Trustee Services Limited, has been appointed as the Valuation Agent by the Company in order to have a daily NAV calculated and published for the benefit of the shareholders.

### **Segregation of Financial Select Funds**

Each of the share classes B through to E each represent a discrete and separate Financial Select Fund. The “Class B” shares (the Shares) represents the financial sector fund (the Financial Select Fund) and accordingly the Company will primarily acquire securities on the JSE in companies that represent the Jamaican financial sector all of which shall be assets with respect to which the “Class B” shares have sole rights of ownership (“**the Financial Securities**”). The Financial Securities shall be acquired in such proportion that tracks the composition of the securities comprised in the Index, noting that the Index is bespoke in nature and that Sagicor worked with the JSE in order to determine and settle upon the composition of the Index, in its capacity of Manager of the Financial Select Fund. Investors will be able to track the Index, the NAV and the market value of the Financial Select Fund on a daily basis as same will be published on both the JSE’s website and Sagicor Investments Jamaica Limited website. The prices for the Financial Securities are based on the prices prevailing at the close of business on the JSE and the markets in which such assets are traded.

Accordingly, the “Class B” shares (the Shares) are conveyed with specific and sole rights over the Financial Securities and all liabilities and costs associated with the Financial Securities and/or the administration of the Financial Select Fund are ring-fenced and calculated specifically in relation to the Financial Select Fund, to the exclusion of the other share classes. Classes C, D and E will represent other indexed funds and will be treated similarly as aforementioned in relation to the “Class B” shares.

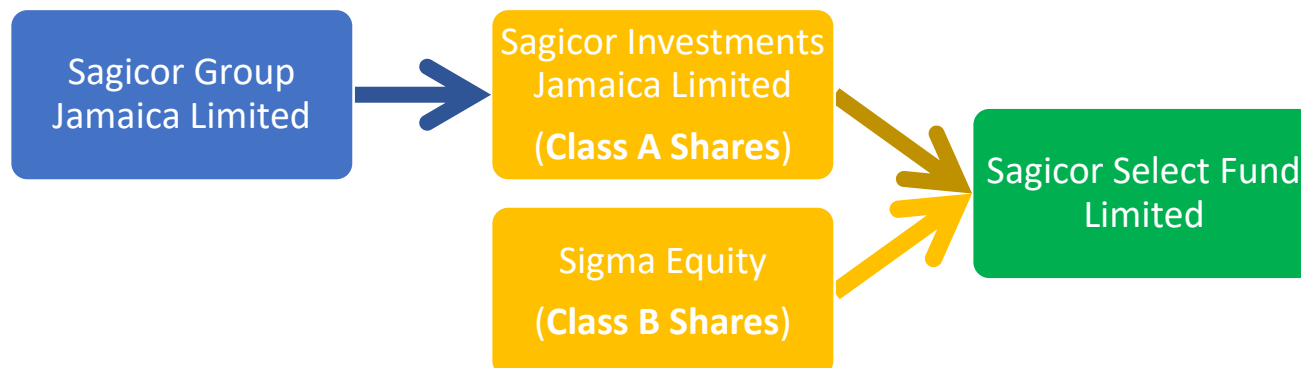
**Assets Currently Held by the Financial Select Fund**

As at March 1<sup>st</sup>, 2019, Sagicor Sigma Fund currently holds 1.1 Billion Shares in the Financial Select Fund. The consideration received by the Company from Sagicor Sigma Fund subscribing for its shares was in turn used to purchase the following securities from the market:

	Company	Ticker	Units	Price Per Share Paid (J\$)	Total Consideration Paid (J\$)
<b>JMD Equities</b>					
1	NCB Financial Group	NCBFG	3,500,070	142.75	499,634,992.50
2	Scotia Group Jamaica	SGJ	4,414,986	51.25	226,268,032.50
3	Sagicor Group Jamaica	SJ	5,541,674	39.05	216,402,369.70
4	JMMB Group	JMMBGL	2,313,578	32.05	74,150,174.90
5	Jamaica Stock Exchange	JSE	994,998	12.65	12,586,724.70
6	Victoria Mutual Investments	VMIL	2,128,373	4.01	8,534,775.73
7	Portland JSX	PJX	439,811	7.45	3,276,591.95
8	Sygnus Credit Investments	SCIJMD	235,219	11.55	2,716,779.45
9	Sterling Investments Limited	SIL	434,110	4.06	1,762,486.60
10	SSL Venture Capital	SSLVC	567,557	1.75	993,224.75
					<b>1,046,326,152.78</b>
<b>USD Equities</b>					
1	Proven Investments	PROVEN	728,947	0.21	153,078.87
					<b>153,078.87</b>

A more fulsome representation of the organizational structure of the Company, as at the date of this Prospectus is set out in the chart below:

### Organizational Chart



- Only one (1) “Class A” share has been issued and same has been issued to Sagior Investments, in its capacity as the Manager of the Financial Select Fund.
- 1.1 Billion “Class B” Shares have already been issued to Sagior Sigma Fund and up to 4 billion “Class B” Shares will be offered to the public and the Reserved Share Applicants in the IPO.
- The “Class B” Shares enjoy the rights over all the assets being purchased by the Financial Select Fund.

#### **7.3 The Financial Select Fund’s Investment Objective**

The Financial Select Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded securities of companies and entities in the financial sector that are listed on the JSE. Accordingly, the Company shall use the proceeds from the IPO to purchase additional financial stocks on the JSE (Financial Securities) in such quantities as may be required for the Financial Select Fund to track the Index, as set out in Section 3 of this Prospectus, noting that the Index will vary from time to time and the Manager will seek to track same on an ongoing basis and shall rebalance the composition of the Financial Securities on a monthly basis, if required, in order to track the Index as closely as possible.

#### **7.4 Incorporation and Structure**

The Company was incorporated on January 11<sup>th</sup>, 2019 as a public company. The Company has no subsidiaries.

#### **7.5 Details of Authorised and Issued Share Capital and the Shares in the Invitation**

##### Capital Structure of the Company

As at the date of this Prospectus, the authorised and issued share capital of the Company is as follows:

**Authorised:** Indefinite in all Classes

**Issued:** Class A - One (1) Share  
Class B - 1.1 Billion Shares

The Shares in the Invitation will be newly issued Shares of the Company.



## 7.6 Shareholdings

As at the date of this Prospectus, the complete holdings of Shares in the capital of the Company were as follows:

<u>Name of Shareholder</u>	<u>Share Class</u>	<u>Number of Shares before Opening Date</u>
Sagicor Investments Jamaica Limited	Class A	One (1) share
Sagicor Sigma Fund	Class B	1.1 Billion Shares

After the subscription lists for the Invitation are closed, and assuming that the Invitation for the Applicants to subscribe to for up to 4 Billion Shares is taken up in full, the percentage shareholdings in the Company will be as follows:

<u>Name of Shareholder</u>	<u>Number Class A Shares after Opening Date</u>	<u>Percentage of Class A Issued Share Capital after Opening Date</u>	<u>Number of Class B Shares after Opening Date</u>	<u>Percentage of Class B Issued Share Capital after Opening Date</u>
Sagicor Investments Jamaica Limited	One (1) share	100%	NONE	0%
Sagicor Sigma Fund	NONE	0%	1.1 Billion Shares	21.60
Reserved Share Applicants	NONE	0%	1 Billion Shares	19.60
General Public	NONE	0%	3 Billion Shares	58.80
<b>TOTALS</b>	<b>One (1) shares</b>	<b>100%</b>	<b>5.1 Billion Shares</b>	<b>100%</b>

## 7.7 Applicable Regulatory Regime

The current business of the Company does not require it to be regulated as a bank, financial institution or as an insurer. However, the Company will be regulated by the Securities Act and the JSE Rules after listing on the Main Market of the JSE.

## 7.8 Intellectual and Real Property

As at the date of this Prospectus, the Company has the following interests in intellectual and real property:

### Intellectual Property

The Company has no registered trademarks.

### Real Property

The Company does not own or rent any real estate.

## 7.9 Material Contracts

Given the nature of its business, most of the Company's contractual arrangements relate to its service agreements with its customers, most of which are therefore deemed to be on-going dealings in the ordinary course of business.

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company with the following persons ("**Counterparties**"):

	<u>Date</u>	<u>Counterparty</u>	<u>Brief Description</u>
1.	March 12 <sup>th</sup> , 2019	JCSD Trustee Services Limited	The Valuation Services Agreement
3.	March 13 <sup>th</sup> , 2019	Jamaica Central Securities Depository Limited	Registrar and Transfer Agent Agreement
4.	March 12 <sup>th</sup> , 2019	Sagicor Investments Jamaica Limited	Management Agreement

The material contracts set out above will be available for inspection as described in Section 15.

## 7.10 Litigation

As at the date of this Prospectus, the Company is not involved in any litigation, arbitration or similar proceedings pending and/or threatened against the Company.

## 7.11 Dividend Policy

Financial Select Fund shareholders are entitled to a share of the Financial Select Fund's net realized gains on its investments. The Financial Select Fund typically earns dividend income from the equity securities that it holds. Distributions of net realized securities gains, if any, generally are declared and paid twice a year, but the Financial Select Fund may make distributions on a more frequent basis as determine by the Investment Manager. An amount equivalent to 90% of the net cash position of the Fund is to be paid to shareholders by way of dividend. The average dividends declared and paid by the Company from the Financial Select Fund should reflect the average dividend yield of the Index.

## 7.12 Insurance Arrangements

The Company does not have any insurable risks to insure against.

## 7.13 Charges Registered Against the Assets of the Company

As at the date of this Prospectus, there are no charges are registered against the assets of the Company.

## Section 8

## Directors and their Interests

### 8.1 Biographical Details of the Directors and Senior Managers of the Company

Brief biographical details of the Directors of the Company are set out below. The Directors' residential addresses are set out in Section 14 hereto, and all of them may be contacted for business purposes c/o the registered office of the Company, Sagicor Select Funds Limited, 85 Hope Road, Kingston 6, Jamaica, West Indies **Telephone: (876) 929-8920**  
**Website: [www.sagicorjamaica.com](http://www.sagicorjamaica.com)**

#### DIRECTORS' BIOGRAPHIES

NAME	PROFILE
<p><u>Omar Brown</u> - <b>Non-Executive Director and Member of the Corporate Governance Committee</b></p>	<p>Omar Brown is an experienced career banker and has been serving in the financial sector for over 20 years. A dedicated and diligent professional, Omar has risen through the ranks of his profession and currently has oversight for the Treasury Unit as an Assistant Vice President at Sagicor Bank Jamaica Limited. He is CFA Charter holder, a Certified Financial Modelling Specialist and holds a honours degree in Banking and Finance from the University of the West Indies. Omar is also a director of Chain of Hope Jamaica and is a member of the CFA Society of Jamaica.</p>
<p><u>Faith Vincent</u> – <b>Non-Executive Director and Member of the Corporate Governance Committee</b></p>	<p>Faith Vincent is Assistant Vice President, Treasury &amp; Investment Operations of Sagicor Life Jamaica Limited in the Group Treasury and Asset Management Division. Faith has over 25 years of experience in the financial sector having started her career in banking with Manufacturers Merchant Bank. She later moved to Dehring Bunting and Golding Limited where she worked in Corporate and Investment Banking. In 2001, she joined the Investment Division at Sagicor Life Jamaica Limited (formerly Life of Jamaica Limited) as an Investment Analyst. She was promoted to AVP in 2017 having had responsibility for managing the treasury and investment operations since 2010.</p> <p>Faith is a graduate of the American University with a degree in Biology, and received a MBA from Howard University.</p>
<p><u>Kevin Donaldson</u> – <b>Non-Executive Director and Member of the Audit Committee</b></p>	<p>Kevin's journey at Sagicor started at the acquired Manufacturers Sigma as an investment analyst in 2003, he rose steadily through the ranks with many achievements along the way including building the equities unit of Pan Caribbean Financial Services and leading innovation by creating the first venture and corporate debt funds for the local market.</p> <p>In 2011, Kevin joined the senior management team at Grace Kennedy Group, where he worked on mergers/acquisitions and capital allocation. Kevin re-joined Sagicor Investments in 2016 and was responsible for the Fund Management and Capital Markets Division where he managed over US\$800 million in assets. He was appointed Acting General Manager October 2017, with responsibility for the overall operations Sagicor Investments Jamaica Limited. In January 2018, Kevin was then appointed CEO of Sagicor Investments and to the Leadership team of Sagicor Group Jamaica.</p> <p>Kevin has over 17 years' experience in the financial industry, spanning several areas of the industry such as Insurance, Investment Banking, Treasury and Research at both the local and international level.</p>

	<p>Kevin has a MBA (distinction) in Banking and Finance from Mona School of Business, a BSc in Economics from the University of the West Indies. He is a Director of the Jamaica Stock Exchange and Elite Diagnostics, Treasurer of the Jamaica Security Dealers Association and the Treasurer for Wolmer's Old Boys Association.</p>
<p><u>Colin Steele</u> – <b>Board Chairman – Non-Executive Director</b></p>	<p>Mr. Steele is an entrepreneur in the retail business and a housing developer who began his career as a Certified Public Accountant. He is experienced in lending, capital markets and investment banking. Colin has served as a Director of several Government companies including the Port Authority of Jamaica and the University Hospital of the West Indies. He also served as Chairman of the Economic Policy Committee of the Private Sector Organization of Jamaica.</p>
<p><u>Janene Shaw</u> – <b>Chairman of the Audit Committee and Member of the Remuneration Committee – Independent Non-Executive Director</b></p>	<p>Mrs. Janene Shaw is the Finance Director and Company Secretary of Carreras Limited, and also serves on the Board of Directors of Carreras Limited. She is a qualified Chartered Accountant with a Bachelor of Science degree in Accounting from the University of the West Indies, Mona and has over 25 years' experience and a proven track record in financial management, accounting and auditing. In her current role at Carreras Limited, she is responsible for the strategic financial management of the company including driving and supporting growth and profitability initiatives as well as ensuring that the company complies with standard financial and statutory practices and maintains high standards of corporate governance. Prior to joining Carreras, she was employed at J. Wray &amp; Nephew Limited / Lascelles deMercado &amp; Co. Limited where she held various senior finance positions being General Manager, Finance &amp; Administration – JWN Agricultural Division, Group Financial Officer and Accounting and Treasury Director. Prior to that, she was employed at PricewaterhouseCoopers (formerly Price Waterhouse) where she gained progressive audit experience to the level of Audit Manager. Mrs. Shaw is a Fellow of the Institute of Chartered Accountants of Jamaica and a Fellow of the Association of Chartered Certified Accountants in the U.K.</p>
<p><u>Daniella Silvera</u> – <b>Chairman of the Corporate Governance Committee and Member of the Remuneration and Audit Committees - Independent Non-Executive Director</b></p>	<p>Daniella is an Attorney-at-Law and a Partner in the law firm Livingston, Alexander &amp; Levy. She was admitted to practice in Jamaica in 1994 and in England and Wales in 2002. Daniella obtained a Bachelor of Arts degree from the University of the West Indies and her LLB (with Honours) from the University of Dundee in Scotland.</p> <p>Daniella practices in the areas of civil and commercial litigation, commercial law and banking and finance.</p> <p>She is the current Chairman of the Disciplinary Committee of The General Legal Council and is a member of the Jamaican Bar Association and the Law Society of England and Wales.</p> <p>She has served as a director of the Pegasus Hotel and the Urban Development Corporation. She is a director of Mustard Seed Communities.</p>
<p><u>Warren Chin</u> – <b>Chairman of the Remuneration Committee and Member of the Audit Committee – Non-Executive Director</b></p>	<p>Dr. Warren Chin is a Jamaican born consultant urologist with subspecialty training in endourology. Endourology is the branch of urology that deals with minimally invasive surgical procedures, utilizing small cameras and special instruments to avoid large incisions. As such he takes special interest in the endoscopic treatment of kidney stones and laparoscopic kidney surgery. His other areas of interest include: the diagnosis and treatment of prostate cancer, benign prostatic hyperplasia (BPH), voiding dysfunction, erectile dysfunction and recurrent bladder infections. Dr. Chin is committed to providing</p>

	personalized contemporary medical care to all of his patients. He received his Bachelor of Surgery and Bachelor of Medicine from the University of the West Indies. He did his Endourology and Minimally Invasive Urologic Surgery Fellowship at Monash Medical/ Monash University in Melbourne Australia.
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## 8.2 Directors' Interests in Ordinary Shares

None of the Directors have interests in the Shares (including legal and beneficial holdings) as at the date of this Prospectus. Neither do they have any agreement to receive Shares, or options in respect of the Shares in consideration of the services rendered by him or her to the Company.

## 8.3 Corporate Governance and Accountability

The Board of Directors has constituted two (2) committees, namely the Audit Committee and the Remuneration Committee, as required pursuant to the provisions of the Main Market Rules and has additionally constituted a Corporate Governance Committee, although not required by the Main Market Rules. The members of the respective committees are as follows:

<u>Audit Committee</u>	<u>Remuneration Committee</u>	<u>Corporate Governance Committee</u>
Janene Shaw – Chairperson	Warren Chin – Chairperson	Daniella Silvera - Chairperson
Daniella Silvera	Daniella Silvera	Omar Brown
Warren Chin	Janene Shaw	Faith Vincent
Kevin Donaldson		

In addition, the Company has appointed PricewaterhouseCoopers, Chartered Accountants to provide it with external audit services.

## 8.4 Directors' Fees and Executive Emoluments

No fees will be paid.

## Section 9

## Management Discussion and Analysis

### 1. Overview

The listing of a Listed Equity Fund (LEF) on the JSE that tracks an index will be the pioneer initiative by Sagicor Investments Jamaica Limited. The first such LEF (the Financial Select Fund) will be listed on the JSE which will include shares and stocks traded on both the main and junior markets of the JSE.

The motivation is to provide investors with broader diversification than shares in single companies, while providing legacy shareholders with greater liquidity. The Financial Select Fund will be sector specific and seek to provide results that correspond generally to the price and yield performance of the JSE Financial Index. This will allow investors to take strategic or tactical positions at a more targeted level than traditional style-based investing.

As at March 1<sup>st</sup>, 2019, the Financial Select Fund currently holds the securities listed below. The funds raised in the IPO shall be used to purchase such number of financial stocks that trade on the JSE in order to enable the Financial Select Fund to track the Index (as illustrated as at January 31<sup>st</sup>, 2019 in paragraph 3.1.2 below) as closely as possible.

	Company	Ticker	Units	Price Per Share Paid (J\$)	Total Consideration Paid (J\$)
<b>JMD Equities</b>					
1	NCB Financial Group	NCBFG	3,500,070	142.75	499,634,992.50
2	Scotia Group Jamaica	SGJ	4,414,986	51.25	226,268,032.50
3	Sagicor Group Jamaica	SJ	5,541,674	39.05	216,402,369.70
4	JMMB Group	JMMBGL	2,313,578	32.05	74,150,174.90
5	Jamaica Stock Exchange	JSE	994,998	12.65	12,586,724.70
6	Victoria Mutual Investments	VMIL	2,128,373	4.01	8,534,775.73
7	Portland JSX	PJX	439,811	7.45	3,276,591.95
8	Sygnus Credit Investments	SCIJMD	235,219	11.55	2,716,779.45
9	Sterling Investments Limited	SIL	434,110	4.06	1,762,486.60
10	SSL Venture Capital	SSLVC	567,557	1.75	993,224.75
					<b>1,046,326,152.78</b>
<b>USD Equities</b>					
1	Proven Investments	PROVEN	728,947	0.21	153,078.87
					<b>153,078.87</b>

### 2. Economic Performance & Growth Prospects

Jamaica has recorded positive economic growth in sixteen (16) consecutive quarters. Based on data provided by the Statistical Institute of Jamaica (STATIN), Jamaican economy grew by an estimated 1.8% in 2018 compared with 2017. This is mainly supported by growth in Construction, Manufacture, Transportation, Finance & Insurance, and Tourism sectors.

The outlook to economic growth remains favorable. Indications are that the pace of economic growth will continue to strengthen in 2019. This will be based on continued growth in most industries, being driven largely by activities in agriculture, tourism and mining as well as the continued road works driving growth in the Construction sector. Additionally, the overall macroeconomic framework has also been improving and provides an enabling environment

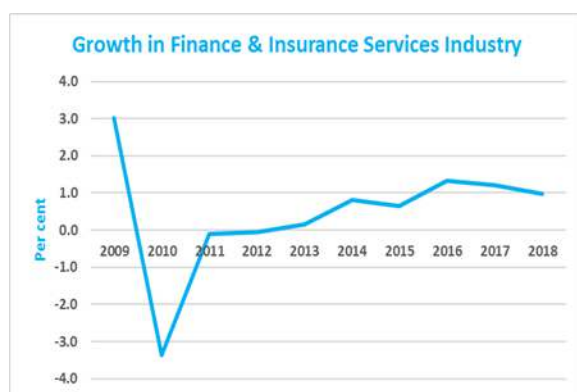
to spur growth in the economy. Of note is that debt to GDP is declining, fiscal balance is improving, inflation has been low, and unemployment is at low levels.

### 3. Finance & Insurance Industry

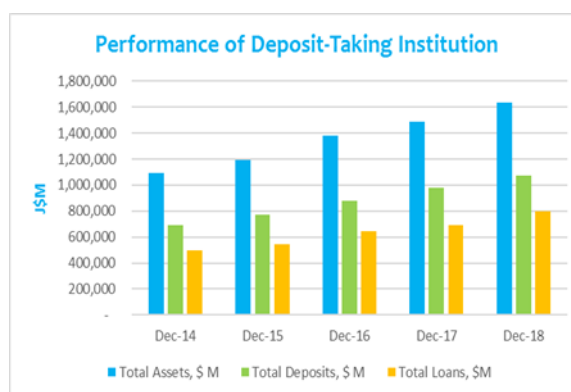
The Finance & Insurance Services industry grew by 1.0% in 2018. This outturn represented the sixth consecutive year of real expansion. The main drivers of growth were increases in net interest income at commercial banks, due to increases in the stock of loans, and higher revenue earned from fees and commission at deposit-taking institutions. Increased economic activity and employment in the country has led to greater utilization of financial services.

Based on the statistics of the Statistical Institute of Jamaica and the Bank of Jamaica, there has been a steady improvement in credit quality at deposit taking institutions evidenced by the declining ratio of Non-Performing Loans (NPL) to total loans. At the end of 2011 the ratio which was just shy of 9% which fell to 2.5% at the end of 2018. Additionally, there are several programmes aimed at reforming the industry and boosting participation. The national financial inclusion initiative is designed to allow underserved Jamaicans to be able to participate in the domestic financial system, permitting them to save, build resilience to financial shocks, invest and generate greater levels of wealth.

It is expected that there will be increased need and utilization of financial services going forward as the economy grows. Consequent on a low interest rate environment, the increases in loans, fee income and investor income will augur well for an expansion of the industry.



Source: Statistical Institute of Jamaica  
Date: As at December 2018



Source: Bank of Jamaica  
Date: As at December 2018

#### 3.1. Financial Select Fund

##### 3.1.1. The Objective

The Financial Select Fund aims to give results that, before expenses, correspond generally to the price and yield performance of the JSE Financial Index. The Index seeks to provide an effective representation of the financial sector companies traded on the Jamaica Stock Exchange.

In order to track the performance of the Index, the Financial Select Fund uses a replication strategy, this means that the Financial Select Fund typically invests in substantially all of the securities represented in the Index in approximately the same proportions as the Index. The Financial Select Fund will rebalance monthly, if necessary, to maintain the appropriate balance to track the index. On average the Financial Select Fund invests at least 95% of its total assets in the securities comprising the Index. The Index is developed and maintained in accordance with the following criteria: (1) each of the component securities in the Index is listed on the Jamaica Stock Exchange; and (2) the Index is calculated by the Jamaica Stock Exchange based on market capitalization methodology.

### 3.1.2. Financial Select Fund - The Statistics

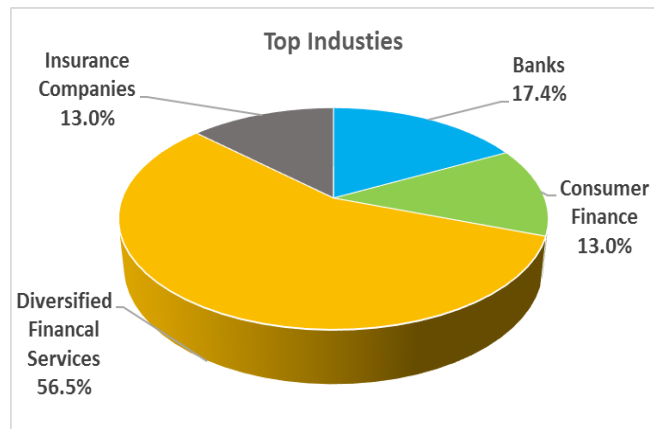
Investors will have exposure to companies in the diversified financial services; insurance; banks; capital markets; mortgage real estate investment trusts ("REITs"); consumer finance; and mortgage finance industries. An overview of the financial stocks that comprise the Index displayed on average strong performance over the past five (5) years, as reflected in revenue growth by most companies. The return on equity has also improved evidenced by weighted average of 16.4 for 2018 compared with a weighted average of 15.4% in 2014.

The following illustrates the Financial Index as at March 1<sup>st</sup>, 2019 as stated by the JSE:

Financial Index				
COMPANIES	TICKER	Market Value	Weight	
NCB FINANCIAL GROUP LIMITED	NCBFG	356.8	38.17%	
SCOTIA GROUP JAMAICA	SGJ	165.5	17.70%	
SAGICOR GROUP JAMAICA	SJ	156.7	16.75%	
PANJAM INVESTMENT LIMITED	PJAM	84.8	9.07%	
JMMB GROUP LIMITED	JMMBGL	53.3	5.70%	
BARITA INVESTMENTS LIMITED	BIL	22.5	2.41%	
PROVEN INVESTMENTS LIMITED	PROVEN	17.5	1.87%	
ACCESS FINANCIAL SERVICES LIMITED	AFS	13.5	1.45%	
JAMAICA STOCK EXCHANGE	JSE	12.5	1.34%	
MAYBERRY INVESTMENTS LTD.	MIL	10.9	1.17%	
MAYBERRY JAMAICAN EQUITIES LTD.	MJE	10.8	1.16%	
VICTORIA MUTUAL INVESTMENTS LIMITED	VMIL	5.7	0.61%	
LASCO FINANCIAL SERVICES LIMITED	LASF	5.6	0.60%	
GENERAL ACCIDENT INSURANCE COMPANY	GENAC	4.6	0.49%	
SYGNUS CREDIT INVESTMENTS LIMITED	SCIJMD	2.6	0.27%	
PORTLAND JSX LIMITED	PJX	2.4	0.25%	
EPPLEY LIMITED	EPLY	2.1	0.23%	
SYGNUS CREDIT INVESTMENTS LIMITED	SCIJA	1.9	0.20%	
ISP FINANCE	ISP	1.4	0.15%	
STERLING INVESTMENTS LIMITED	SIL	1.2	0.13%	
KEY INSURANCE COMPANY	KEY	1.1	0.12%	
SSL VENTURE CAPITAL JAMAICA LIMITED	SSLVC	0.8	0.08%	
IRONROCK INSURANCE COMPANY	ROC	0.7	0.08%	
<b>Total Market Cap J\$B</b>		\$934.99		
Number of Companies		23		
<b>Price/Earning Ratio (weighted)</b>		23.88	14.69	



### Industry concentration of the Financial Select Fund



## Section 10

## Historical Financial Index Performance

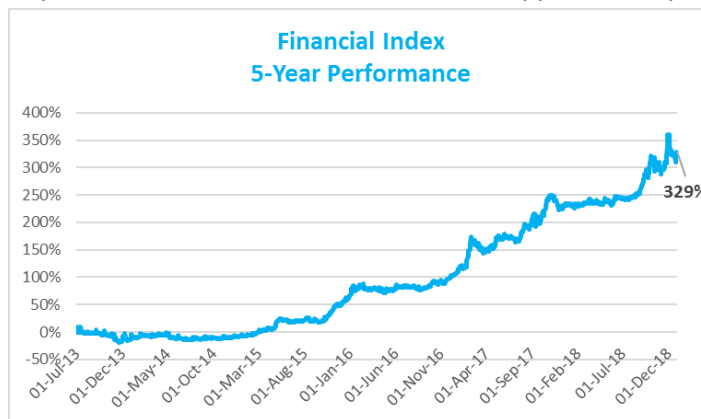
### 1. THE FINANCIAL INDEX

#### 1.1. The Methodology

The Financial Index tracks the performance of the all financial companies listed on both the Junior and Main markets. The JSE typically uses a weighted average market capitalization method to calculate the indices. With this method, an index is calculated by dividing the aggregate market capitalization by a base divisor. The market capitalization of each company is the product of its issued shares and its market price. As such the greater a company's market capitalization, the greater the weight it carries in the composition of the Financial Index.

#### 1.2. Index Performance

As a means of providing a historical performance of the Financial Index, a simulation of the Financial Index was prepared employing the methodology used by the JSE. This index was prepared for the last five (5) years (from 2013 to 2018). Over this period this period the movement in the index was approximately 329%.



Source: JSE

Date: As at December 31<sup>st</sup>, 2018

### 2. Financial Companies Performance

Top Advancing by Sector, 2018			
	% Change	Open Price, \$	Close Price, \$
<b>Financial</b>			
Barita Investments	611.78%	7.47	53.17
PanJam Investment	61.49%	45.00	72.67
Mayberry Investments	54.31%	5.91	9.12
NCB Financial Group	50.15%	99.38	149.22
<b>Manufacturing</b>			
Salada Foods Jamaica	211.11%	11.25	35.00
Jamaica Broilers Group	63.32%	17.83	29.12
<b>Services</b>			
Palace Amusement	158.93%	560.00	1450.00
Kingston Wharves	137.51%	32.50	77.19
Pulse Investments	66.11%	1.80	2.99
Supreme Ventures	49.87%	11.53	17.28

Source: JSE

Date: As at December 31<sup>st</sup> 2018

For 2018, most of the listed financial companies recorded price appreciation. Of the twenty-three (23) listed financial institutions, seventeen (17) had an increase in price for at the end of 2018 compared with the start of the year. The financial sector accounted for four (4) of the top ten (10) advancing stocks on the Main Market. On average across both Main and Junior Markets, the price appreciation in the sector was 65.6% for 2018. This outturn reflected growth in the overall demand for equities within the low-interest rate environment.

## Section 11

## Accountant's Report and Financial Projections

**ACCOUNTANT'S REPORT****FINANCIAL SELECT FUND  
MANAGEMENT FINANCIAL STATEMENTS****BALANCE SHEET**

As at February 28, 2019	2019 \$'000
<b>Assets</b>	
Cash and cash equivalents	24,274
Financial assets at fair value through profit or loss	1,094,415
	<u>1,118,688</u>
<b>Financed by:</b>	
Net Surplus	18,688
Capital account	1,100,000
	<u>1,118,688</u>

**INCOME STATEMENT**

One Month Ending February 28, 2019	2019 \$'000
<b>Income</b>	
Foreign exchange gains / (losses)	(709)
Unrealised (depreciation)/appreciation in value of investments	19,397
<b>Net income for the period</b>	<u>18,688</u>

Financial Performance the month ended February 28<sup>th</sup>, 2019:

For the period ending February 28<sup>th</sup>, 2019, the Financial Select Fund had a net income of \$18.7 million. This stemmed largely from an appreciation in the value of financial stocks (securities) held by the Financial Select Fund which offset foreign exchange (FX) losses. The FX losses were largely attributable to the Financial Select Fund's holding of Proven USD shares within the context appreciation of the USD against the JMD. The Financial Select Fund recorded no expenses during the period.

The Financial Select Fund's assets as at February 28<sup>th</sup>, 2019 was US\$1,118.7 million. Of total assets, quoted securities accounted for 98% and the remainder was comprised of cash. The assets were financed fully by shareholder's equity as the Financial Select Fund had no liabilities.

**1. Identification**

The Company was incorporated on the 11<sup>th</sup> of January 2019 as a public company, for the primary purpose of trading in securities listed on recognized exchanges. The Financial Select Fund is a close-ended non-diversified investment fund.

The Company is a wholly owned subsidiary of Sagicor Investment Jamaica Limited (SIJL), which is incorporated and domiciled in Jamaica. SIJL is a wholly owned subsidiary of Sagicor Group Jamaica Limited (SGJ), which is incorporated and domiciled in Jamaica.

As at February 2019 the Company consists of one (1) Fund:

(i) The Financial Select Fund – this is a non-diversified investment portfolio.

The Company entered into a management agreement with SIJL to act as Fund Manager. SIJL has agreed to waive its management fees until January 31, 2020.

## 2. Summary of Significant Accounting Policies

### *Security Valuation*

#### (a) **Basis of preparation**

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and have been prepared under the historical cost convention as modified by the revaluation of certain financial assets at fair value through profit or loss.

#### (b) **Foreign currency translation**

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

The financial statements are presented in Jamaican dollars, which is the Company's presentation currency.

#### (c) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable from investment quoted equities and other investment services provided in the ordinary course of the Financial Select Fund's activities. Revenue is recognised as follows:

##### ***Dividend income***

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

##### ***Gain or loss on sale of investment***

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

##### ***Fair value gains or losses on investments***

Fair value gains or losses on investments are recognized when there is a change in the fair value of investments from one period to the next.

#### (d) **Cash and cash equivalents**

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

#### (e) **Financial assets at fair value through profit or loss**

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

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

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

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

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

**(f) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.



## Independent auditor's report

To The Directors of Sagicor Select Funds Limited

### Report on review of the interim financial statements

We have reviewed the accompanying interim statement of financial position of Sagicor Select Funds Limited as at 28 February 2019 and the related income statement for the one month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of, in all material respects, the financial position of the company as at 28 February 2019, and of its financial performance for the one month period then ended in accordance with International Financial Reporting Standards.

Chartered Accountants  
Kingston, Jamaica  
12 June 2019

*PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Kingston, Jamaica*  
T: (876) 922 6230, F: (876) 922 7581, [www.pwc.com/jm](http://www.pwc.com/jm)

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

The Board of Directors  
Sagicor Select Funds Limited  
85 Hope Road  
Kingston 6

2 April 2019

**Attention: Mr. Kevin Donaldson**

Dear Sirs

**Re: Consent letter for inclusion of 'Auditors' Reports' in Prospectus for the issue of Ordinary Shares of Sagicor Select Funds Limited**

In accordance with Section 42 of the Companies Act 2004 (Expert's consent to issue of prospectus containing statement by him), PricewaterhouseCoopers hereby consents to:

- (1) The inclusion of our 'Auditors' Reports' as set out in Section 11 of this document and as required by Part II of the Third Schedule of the Companies Act 2004; and
- (2) The subsequent issue of this prospectus containing our 'Auditors' Reports' as referred to in part (1).

We further confirm that this statement of consent has not been withdrawn prior to the submission of this prospectus for registration with the Registrar of Companies on 5 April 2019.

Yours very truly

  
PAW:FE:ab

## **FINANCIAL PROJECTIONS**

### **FINANCIAL SELECT FUND:**

#### **Five Year Projections (For financial years ending December 2019 – December 2023)**

<b>STATEMENT OF ASSETS AND LIABILITIES</b>	<b>Dec-19</b>	<b>Dec-20</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23</b>
<b>ASSETS</b>					
Cash and cash equivalents	2,430,592	11,259,201	20,820,848	31,174,980	42,385,820
Financial assets at fair value through profit or loss	5,270,000,000	5,691,600,000	6,146,928,000	6,638,682,240	7,169,776,819
<b>Total Assets</b>	<b>5,272,430,592</b>	<b>5,702,859,201</b>	<b>6,167,748,848</b>	<b>6,669,857,220</b>	<b>7,212,162,639</b>
<b>LIABILITIES</b>					
Expenses Payable					
<b>NET ASSET VALUE</b>	<b>5,272,430,592</b>	<b>5,702,859,201</b>	<b>6,167,748,848</b>	<b>6,669,857,220</b>	<b>7,212,162,639</b>
<b>NET ASSETS CONSIST OF:</b>					
Paid in capital	5,100,000,000	5,100,000,000	5,100,000,000	5,100,000,000	5,100,000,000
Accumulated gain (loss)	172,430,592	602,859,201	1,067,748,848	1,569,857,220	2,112,162,639
<b>NET ASSET VALUE</b>	<b>5,272,430,592</b>	<b>5,702,859,201</b>	<b>6,167,748,848</b>	<b>6,669,857,220</b>	<b>7,212,162,639</b>
<b>STATEMENTS OF OPERATIONS</b>					
<b>INVESTMENT INCOME</b>					
Dividend income (net)	42,500,000	110,160,000	118,972,800	128,490,624	138,769,874
Unrealised (depreciation)/appreciation in value of investments	170,000,000	421,600,000	455,328,000	491,754,240	531,094,579
<b>Total Investment Income .</b>	<b>212,500,000</b>	<b>531,760,000</b>	<b>574,300,800</b>	<b>620,244,864</b>	<b>669,864,453</b>
<b>EXPENSES:</b>					
Professional, Legal, Administrative and Audit fees	17,295,000	4,423,850	4,556,566	4,693,262	4,834,060
SIJL Management Fees		16,524,000	17,845,920	19,273,594	20,815,481
JSE Listing Fees	899,085	926,058	953,839	982,454	1,011,928
<b>Total Expenses</b>	<b>18,194,085</b>	<b>21,873,908</b>	<b>23,356,325</b>	<b>24,949,311</b>	<b>26,661,470</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>194,305,915</b>	<b>509,886,092</b>	<b>550,944,475</b>	<b>595,295,553</b>	<b>643,202,984</b>
<b>STATEMENTS OF CASH FLOW</b>					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Income before taxation	194,305,915	509,886,092	550,944,475	595,295,553	643,202,984
Decrease / (increase) in investment securities	(170,000,000)	(421,600,000)	(455,328,000)	(491,754,240)	(531,094,579)
<b>Net cash provided by operating activities</b>	<b>24,305,915</b>	<b>88,286,092</b>	<b>95,616,475</b>	<b>103,541,313</b>	<b>112,108,404</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceed From IPO	4,000,000,000				
Acquisition of Investment Securities	(4,000,000,000)				
<b>Net cash used in investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend Paid	(21,875,324)	(79,457,483)	(86,054,828)	(93,187,182)	(100,897,564)
<b>Net cash used in financing activities</b>	<b>(21,875,324)</b>	<b>(79,457,483)</b>	<b>(86,054,828)</b>	<b>(93,187,182)</b>	<b>(100,897,564)</b>
(Decrease)/increase in Cash & Cash Equivalent	2,430,592	8,828,609	9,561,648	10,354,131	11,210,840
Cash & Cash equivalents - Beginning of Year	0	2,430,592	11,259,201	20,820,848	31,174,980
<b>Cash &amp; Cash equivalents - End of Year</b>	<b>2,430,592</b>	<b>11,259,201</b>	<b>20,820,848</b>	<b>31,174,980</b>	<b>42,385,820</b>

Figures expressed in J\$



## Notes to Financial Projections

### 1. Organization

Sagicor Select Funds Limited, was incorporated on the 11<sup>th</sup> of January 2019 as a public company, for the primary purpose of trading in securities listed on recognized exchanges.

As of February 2019, the Company issued two (2) classes of ordinary shares, one of which (the “Class B” shares) has the sole right to the ownership of the Financial Securities and thereby the “Class B” shares constitutes the Financial Select Fund. The Board of Directors is permitted to authorize the issuance of an unlimited number of shares across all of its share classes.

The financial statements herein relates to the Financial Select Fund, which is represented by the “Class B” shares (Shares). The Financial Select Fund can be classified as a close-ended non-diversified investment fund, as it only seeks to invest in financial stocks listed on the JSE (the Financial Securities).

### 2. Summary of Significant Accounting Policies

#### *Security Valuation*

The following is a summary of significant accounting policies followed by the Company in the preparation of its financial statements:

Each investment is valued at fair value each day that the Jamaica Stock Exchange (“JSE”) is open and, for financial reporting purposes, as of the report date should the reporting period end on a day that the JSE is not open. Fair value is generally defined as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

#### *Investment Transactions and Income Recognition*

Investment transactions are accounted for on trade date for financial reporting purposes. Realized gains and losses from the sale or disposition of investments and foreign exchange transactions, if any, are determined using the identified cost method. Dividend income and capital gain distributions, if any, are recognized on the ex-dividend date or when the information becomes available, net of any taxes withheld at source, if any.

Non-cash dividends received in the form of stock are recorded as dividend income at fair value. Distributions received by the Financial Select Funds may include a return of capital that is estimated by management. Such amounts are recorded as a reduction of the cost of investments or reclassified to capital gains.

#### *Expenses*

Certain expenses, which are directly identifiable to the Company, are applied to that Financial Select Fund including legal expenses, JSE trade and cess fees, Management Fees and Valuation Agent Fees and JCSD fees.

### 3. Fees and Transactions with Affiliates

#### *Advisory and Administration Fee*

The Financial Select Fund, on behalf of the Company, has entered into a Management Agreement with SIJL. For its Management services, the Company pays the Manager a fee accrued daily and paid monthly. The advisory fee is calculated based upon the average daily net assets of the Financial Select Fund. The Management fee is calculated at no more than 0.5% of average daily net assets of the Financial Select Fund.

The Manager has agreed to waive its advisory fee and reimburse certain expenses, until January 31, 2020.

#### 4. Risks

##### **Concentration Risk**

As a result of the Financial Select Funds' ability to invest a large percentage of their assets in obligations of issuers within the same country, currency or economic sector, an adverse economic, business or political development may affect the value of the Financial Select Funds' investments more than if the Financial Select Funds' were more broadly diversified.

##### **Market and Credit Risk**

In the normal course of business, the Financial Select Funds trade financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the general economic conditions and fluctuations of the market (market risk). Additionally, the Financial Select Fund may also be exposed to credit risk in the event that an issuer or guarantor fails to perform or that an institution or entity with which the Financial Select Fund has unsettled or open transactions defaults.

#### 5. Cash & Cash Equivalent

The cash amounts represent balances that will be held in the bank accounts.

#### 6. Investment Securities

This represents the value of the equity securities held and expected value of portfolio over time.

##### **Analysis of Financial Projections:**

##### **Income Statement**

As a Listed Equity Fund (LEF), the Fund's main sources of income are:

1. dividend income and any other distributions from the financial stocks that comprise the assets of the Financial Select Fund; and
2. any appreciation in value of the financial stocks held by the Financial Select Fund (be such income classified as realized or unrealized gains).

These two (2) sources of income will account for the total investment income expected to be derived by the Financial Select Fund. Dividend income to the Financial Select Fund is expected to grow from approximately J\$59.5 million to J\$138.8 million over the financial years 2019 to 2024. The estimated value of the aforementioned dividend income represents an annual dividend yield of 2% of the value of the financial stocks held by the Financial Select Fund. This estimated dividend yield is consistent with the dividend income that has been historically paid to shareholders on average in respect of the financial stocks that comprise the Index.

The dividend income of the Financial Select Fund is expected to grow by a compounded annual average growth rate of approximately 34% over the financial years 2019 -2024. The aforementioned projected high rate of growth in the dividend income is primarily attributable to lower dividend income as majority of the financial stocks will be acquired by the Financial Select Fund during the last five (5) months of the 2019 fiscal year. The normalized compounded annual average growth rate is expected to be 8%.

The NAV of the financial stocks held by the Financial Select Fund is expected to grow by approximately J\$170.0 million in 2019, then by approximately J\$555.1 million in the 2024 financial year. The relatively low rate of growth projected for the 2019 fiscal year is largely attributable to the timing of the acquisition of the remainder of the financial stocks required to track the JSE Financial Index which are to be acquired in July 2019 after the IPO. This would therefore be acquired in the second half of the 2019 fiscal year. The estimated growth in the security value is largely due to the expected appreciation in the price of the financial stocks over the 5-year period. On average, it is estimated that the

prices should grow by a compounded annual average growth rate of 8% over the financial years 2019 – 2024 on the basis of the favourable outlook for the financial sector.

The combined income sources should result in total investment income increasing from J\$212.5 million for the 2019 fiscal year to J\$693.8 million for the 2024 fiscal year.

The Financial Select Fund intends to maintain the expense ratio below 0.75% of the NAV. The total expenses are estimated at J\$18.2 million for the 2019 fiscal year to J\$26.7 million for the 2024 fiscal year. The estimated expenses should be expected to be comprised of professional fees (including legal and audit), general administrative fees and management fees paid to Sagicor Investments Jamaica Limited (SIJL), as Manager. The Financial Select Fund has entered into a Management Agreement with SIJL to act as the Manager for the Financial Select Fund for a fee of no more than 0.5% of the NAV. However, SIJL has agreed to waive its management fees until January 31, 2020 in order to manage the front-loaded fees of the Financial Select Fund.

### **Balance Sheet**

The Fund seeks to achieve its investment objective by holding the ordinary stocks that comprise the JSE Financial Index with the weight of each such stock in the Financial Select Fund substantially corresponding to the weight of such stock in the Index. As such the main assets held by the Fund reflect the tradable securities in the Financial Select Fund. At the end of the 2019 fiscal year, the total assets of the Financial Select Fund are anticipated to amount to approximately J\$5.3 billion. This value is based on the net proceeds from the IPO, the expected price appreciation of the stocks held in the Financial Select Fund and net dividend to be received. With the estimate that the financial stocks will increase in price by an annual rate of 8% over the five-year period, the NAV of the total assets are expected to rise to J\$7.2 billion in 2024. The performance of the securities held is expected to be favourably impacted by the growth in the financial sector and the consequent higher earnings for the companies whose stocks form part of the JSE Financial Index, on average.

In addition to the securities held, the Financial Select Fund is expected to maintain a cash balance of no more than 5% of the NAV. Cash held within the Financial Select Fund is to be generated from the dividend income received from the securities held. However, it is the intention of the Financial Select Fund to payout at least 90% of the cash received to investors, after accounting for the expenses.

The total assets held by the Financial Select Fund are to be largely financed by shareholders' equity. The intention is to have the assets fully financed by equity as the Financial Select Fund tracks the JSE Financial Index. Shareholders equity is expected to grow from J\$5.2 billion in the 2019 fiscal year to J\$7.2 billion in 2024 fiscal year. The growth is largely reflective of the accumulated gains (both realized or unrealized) in the securities held by the Financial Select Fund.

## Section 12

## Risk Factors

As with all investments, there are certain risks of investing in the Financial Select Fund. The following is a list of the main risks associated with investing in the Financial Select Fund:

- **Indexing Strategy/Index Tracking Risk:** The Financial Select Fund incurs a number of operating expenses not applicable to the Index and incurs costs in buying and selling securities.
- **Sector Risk:** The Financial Select Fund will be exposed to any shocks to the local financial sector as well as affected by the overall performance of the local financial sector.
- **Equity Investing Risk:** Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. The Index is comprised of ordinary shares and stocks, which generally subject their holders to more risks than holders of preferred stocks and shares and debt securities because ordinary stockholders' claims are subordinated to those of holders of preferred stocks and debt securities upon the insolvency of the issuer.
- **Non-Diversification Risk:** Should it be that the Financial Select Fund invests in the shares of a relatively small number of issuers, a decline in the market value of a particular security held by the Financial Select Fund may affect its value more than if it invested in the shares in a larger number of issuers.
- **Market Risk:** The Financial Select Fund's investments are subject to changes in general economic conditions, and general market fluctuations and the risks inherent in investment in securities markets.
- **Asset Class Risk:** Securities and other assets that comprise the Index or in the Financial Select Fund's portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.
- LEF market prices are the prices at which investors buy or sell shares of an LEF in the secondary market. While LEFs are designed to trade in line with their intraday values, during times of significant market volatility an LEF's market price may vary more widely from its intraday value.
- Diversification may not protect against market risk or loss of principal investment. Shares in the Financial Select Fund are bought and sold at market price (not NAV). Brokerage commission will reduce returns.
- Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses of the Financial Select Fund.
- The Financial Select Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Financial Select Fund may or may not hold all of the securities that are included in the Index.
- Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.
- Risk of investing in the Jamaica. Certain changes in the Jamaica's economy, such as when the economy weakens or when its financial markets decline, may have an adverse effect on the securities to which the Financial Select Fund has exposure.

## Section 13

## Professional Advisors to the Company and the Fund

<p><b>Financial Advisor, Arranger &amp; Lead Stock Broker</b> Sagikor Investments Jamaica Limited 85 Hope Road Kingston 6 Jamaica</p>	
<p><b>Fund Manager</b> Sagikor Investments Jamaica Limited 85 Hope Road Kingston 6 Jamaica</p>	
<p><b>Attorneys to the Company in the Invitation</b> <b>MH&amp;CO., Attorneys-at-Law</b> 7 Barbados Avenue (Second Floor) Kingston 5</p>	
<p><b>Auditor and Reporting Accountant</b> PricewaterhouseCoopers Scotiabank Centre Duke Street KINGSTON, Jamaica</p>	
<p><b>Registrars and Transfer Agent</b> Jamaica Central Securities Depository Limited 40 Harbour Street KINGSTON, Jamaica</p>	
<p><b>Fund Valuation Agent</b> JCSD Trustee Services Limited 40 Harbour Street KINGSTON</p>	

## Section 14

## Statutory and General Information

### 14.1 Statutory Information required to be set out in this Prospectus by section 42 and the Third Schedule to the Companies Act

1. The Company has no founders' or management or deferred shares.
2. The Articles of Incorporation fix no shareholding qualification for Directors (**Article 39.3**) and none has been otherwise fixed by the Company in general meeting.
3. The Articles of Incorporation contain the following provisions with respect to the remuneration of Directors:
  - a. The remuneration of the directors shall be such amount as the board of directors, or any appropriate committee of the board of directors, may determine. Such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company in connection with the business of the Company. (**Article 39.2**);
  - b. A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs. (**Article 39.4**);
  - c. A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or management entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established. (**Article 41.7**);
  - d. Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director, provided that nothing herein contained shall authorize a director or his firm to act as auditor to the Company. (**Article 41.9**);
  - e. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. (**Article 41.13**); and
  - f. A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the board of directors, or any appropriate committee of the board of directors, may determine. (**Article 47.2**)

4. The names and addresses of the Directors appear in Section 8 of this Prospectus. The residential addresses of the respective directors are as follows:

<b><u>Name of Director</u></b>	<b><u>Residential Address</u></b>
Mr. Colin Steele	TH#11, The Palms, 68 Hope Road, Kingston 6
Mrs. Daniella Silvera	35 Mountain Spring Drive, Kingston 6
Ms. Faith Vincent	21 Phadrian Avenue, Kingston 6
Mr. Kevin Donaldson	12 Garth Road, Kingston 8, St. Andrew
Mr. Omar Brown	3 Pangola Avenue, Dillsbury Meadows, Kingston 6
Mrs. Janene Shaw	42 Spring Way, Kingston 6
Dr. Warren Chin	2 Carmello Drive, Kingston 8

5. The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the “minimum subscription”) is at least \$500,000,000. The Company estimates that the expenses in the Invitation will not exceed approximately Forty Million Dollars (J\$40,000,000) inclusive of General Consumption Tax, and shall include the following services:
- Arranger, financial advisory and brokerage fees;
  - Legal fees;
  - Auditor’s and Accounting fees;
  - Statutory fees including initial listing fees;
  - Marketing expenses; and
  - Registrar and Transfer Agent fees.
6. The Invitation will open for subscription at 9:00 a.m. on July 3<sup>rd</sup>, 2019 and will close at 4:30 pm on the Closing Date, July 17<sup>th</sup>, 2019, subject to the Company’s right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount in excess of the Shares offered under this Prospectus, or to extend the Closing Date for any reason whatsoever.
7. All Applicants will be required to pay in full the Subscription Price of \$1.00 per Share, save for the Reserved Share Applicants who are required to pay in full the Reserved Subscription Price of \$0.98 per Share. No further sum will be payable on allotment.
8. No previous offer of Shares has been made to the public.
9. Save for the entitlement of the Reserved Shares Applicants, no person has, or is entitled to be given, any option to subscribe for any shares in, or debentures of, the Company.

10. As at March 1<sup>st</sup>, 2019, the Financial Select Fund, through the Company holds the following investments:

	Company	Ticker	Units	Price Per Share Paid (J\$)	Total Consideration Paid (J\$)
<b>JMD Equities</b>					
1	NCB Financial Group	NCBFG	3,500,070	142.75	499,634,992.50
2	Scotia Group Jamaica	SGJ	4,414,986	51.25	226,268,032.50
3	Sagicor Group Jamaica	SJ	5,541,674	39.05	216,402,369.70
4	JMMB Group	JMMBGL	2,313,578	32.05	74,150,174.90
5	Jamaica Stock Exchange	JSE	994,998	12.65	12,586,724.70
6	Victoria Mutual Investments	VMIL	2,128,373	4.01	8,534,775.73
7	Portland JSX	PJX	439,811	7.45	3,276,591.95
8	Sygnus Credit Investments	SCIJMD	235,219	11.55	2,716,779.45
9	Sterling Investments Limited	SIL	434,110	4.06	1,762,486.60
10	SSL Venture Capital	SSLVC	567,557	1.75	993,224.75
					<b>1,046,326,152.78</b>
<b>USD Equities</b>					
1	Proven Investments	PROVEN	728,947	0.21	153,078.87
					<b>153,078.87</b>

11. Details of the Company's trademark, real property and business name are set out in Section 7.8 of this Prospectus. However, there is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company and there is no contract for sale and purchase which would involve any goodwill, patent or trademark.
12. As at the date of this Prospectus, the Company has no debt.
13. No amount is currently recommended for distribution by way of dividend. The Company's dividend history, and its dividend policy following admission to the Main Market, is described in Section 7.11.
14. Within the two (2) preceding years, no commissions have been paid, nor will any be payable to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares or debentures of the Company.
15. The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that the expenses in the Invitation will not exceed approximately Forty Million Dollars (J\$40,000,000) inclusive of General Consumption Tax, and shall include the following services:
- Arranger, financial advisory and brokerage fees;
  - Legal fees;
  - Auditor's and Accounting fees;
  - Statutory fees including initial listing fees;
  - Marketing expenses; and
  - Registrar and Transfer Agent fees.



16. Within the last two (2) years preceding the date of this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter, save for Sagicor Investments, for arrangement, financial advisory and brokerage services associated with the Invitation and listing on the Main Market under an agreement dated March 13<sup>th</sup>, 2019. The agreement provides for Sagicor Investments to act as arranger and financial adviser to the Invitation, and for Sagicor Investments to act as lead broker for which they will collectively receive fees equivalent to approximately \$30 Million + General Consumption Tax (inclusive of valuation services, lead brokerage, and the development of a marketing strategy for the purposes of the Invitation).
17. The issue is not underwritten.
18. The material contracts of the Company are set out in Section 7.9.
19. The name and address of the auditors to the Company is PricewaterhouseCoopers, Chartered Accountants of Scotia Financial Centre, Duke Street, KINGSTON.
20. PricewaterhouseCoopers, Chartered Accountants, have given and have not withdrawn their consent to the issue of this Prospectus with the inclusion of the Accountant's Report and its name in the form and context in which it is included.
21. The Company was incorporated on January 11<sup>th</sup>, 2019 as a public company, and it has carried on business since that date. The Company does not have any subsidiaries.

#### **14.2 Taxation of Main Market Companies: Concessionary Regime**

Companies that successfully apply for admission to the Main Market of the JSE will benefit from a concessionary tax regime, details of which are set out below:

- Section 17(1)(d) of the Transfer Tax Act provides that transfers of shares made in the ordinary course of business on the JSE will not attract transfer tax.
- The Schedule to the Stamp Duty Act provides that transfers of shares in the ordinary course of business on the JSE will not attract Stamp Duty.
- Section 12(v) of the Income Tax Act provides that profits or gains from transactions in shares carried out on the JSE that accrue to an individual that does not hold himself out as a dealer are exempt from income tax, where such profits or gains do not exceed one half of that person's statutory income from all other sources for the year of assessment, or (where the person so elects) those profits or gains which, taken with profits or gains (or losses) on such transactions by him/her in the two (2) immediately preceding years of assessment, do not exceed one half of that persons statutory income from all other sources for the year of assessment and those two (2) preceding years.
- Section 34(1) paragraph 6 of the Income Tax Act provides that payments of interest or other payments made to holders of shares out of the assets of a company that is quoted on a recognized stock exchange, including the JSE, are exempt from income tax.
- Prospective investors should seek advice on the taxation of Main Market companies and their prospective investment in the Company from a professional adviser, and should not rely on the summary set out above.

**Section 15****Documents Available for Inspection**

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Copies of the following documents may be inspected at the offices **Messrs. MH&CO., Attorneys-at-Law** between the hours of 9:00 a.m. and 4:00 p.m. on Monday to Friday, up to and including the Closing Date (or the extended Closing Date, as the case may be):

1. The Articles of Incorporation of the Company
2. The Company's Certificate of Incorporation.
3. Company Status Letter issued by the Companies Office of Jamaica.
4. The Company's Tax Compliance Certificate.
5. The Accountant's Report.
6. The consent of the auditors of the Company dated April 2<sup>nd</sup>, 2019, referred to in paragraph 20 of Section 14.1.
7. The material contracts referred to in Section 7.9.

**Section 16**

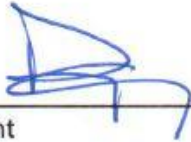
**Directors' Signatures**



\_\_\_\_\_  
Colin Steele  
Director



\_\_\_\_\_  
Daniella Silvera  
Director



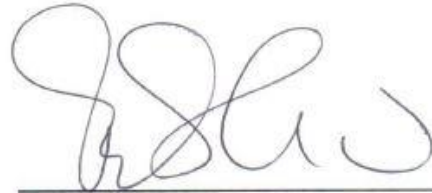
\_\_\_\_\_  
Faith Vincent  
Director



\_\_\_\_\_  
Kevin Donaldson  
Director



\_\_\_\_\_  
Omar Brown  
Director



\_\_\_\_\_  
Janene Shaw  
Director



\_\_\_\_\_  
Warren Chin  
Director



**Appendix 1: APPLICATION FORM**



**SAGICOR SELECT FUNDS LIMITED  
INITIAL PUBLIC OFFER - APPLICATION FORM**

**PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM**

To: Sagicor Select Funds Limited (“Sagicor Select Funds” or “the Company”)

Re: Invitation for Subscription for up to 4,000,000,000 ordinary shares (“the Application Shares”) in Sagicor Select Funds Limited made pursuant to the Prospectus dated the 12<sup>th</sup> day of June, 2019 (the “Prospectus”).

I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated in this Application Form by reference.

I/We hereby apply for \_\_\_\_\_ ordinary shares in Sagicor Select Funds on and subject to the terms and conditions of the IPO set out in the Prospectus at the price of JMD **1.00** each. I/We have made /remitted payment of the sum of JMD \_\_\_\_\_ for my/our subscription/purchase and the JCSD processing fee of JMD **163.10** (inclusive of GCT) with proof of payment attached. I/We agree to accept the Application Shares or any smaller number in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of Sagicor Select Funds Limited, by which I/We agree to be bound. I/We request you to sell and/or transfer to me/us the number of Application Shares, which may be allocated to me/us at the close of the said IPO on the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the Application Shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository (JCSD).

**Instructions to completing application form:** All fields are relevant and must be completed. If you already have an account with the JCSD, please ensure that you indicate your JCSD Account number.

**General Pool**     
  **Reserved Shares for Sigma Clients**     
 SIGMA Account Number: 

S	U	T							
I	G	M	A						
0	0	0	0						

OR

**Reserved Shares for Sagicor Group Employees**     
 Employee Number:      OR      

--	--	--	--	--	--	--	--	--	--

PRIMARY HOLDER									
Full Name of Applicant (Individual or Company)									
TRN			Occupation/ Line of Business						
Address Line 1									
Address Line 2									
Nationality or Country of Incorporation				Telephone (Home)					
Telephone (Work)			Telephone (Cellular)			Facsimile			
Email Address							Broker Code		
JCSD Number			Broker Account						

Signatures (Company) \_\_\_\_\_

DIRECTOR

DIRECTOR/SECRETARY

**SEAL OR STAMP REQUIRED FOR COMPANIES**

Signature (Individual) \_\_\_\_\_

APPLICANT

JOINT HOLDER(S)

Full Name (First Joint Holder)

TRN  Occupation

Signature (Individual) \_\_\_\_\_ Date \_\_\_\_\_

Full Name (Second Joint Holder)

TRN  Occupation

Signature (Individual) \_\_\_\_\_ Date \_\_\_\_\_

Full Name (Third Joint Holder)

TRN  Occupation

Signature (Individual) \_\_\_\_\_ Date \_\_\_\_\_

PAYMENT VERIFICATION INFORMATION

Managers Cheque

Cheque Number  Cheque Amount  Institution

RTGS

Amount  Confirmation/Reference #  Institution   
 Sender's Account Name  Sender Account #

**ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS.  
 THIS OFFER IS NOT MADE TO PERSONS OUTSIDE JAMAICA**

TO BE COMPLETED WHERE REFUND PAYMENT IS TO BE MADE  
PLEASE INSERT YOUR BANKING INFORMATION

NAME OF BANK:	
BRANCH:	
SWIFT/BIC	
NAME(S) ON BANK ACCOUNT:	
ACCOUNT NUMBER:	
ACCOUNT TYPE:	
FOR FURTHER CREDIT TO:	

**NOTES ON HOW TO COMPLETE THE APPLICATION FORM**

1. All completed applications must be delivered Sagicor Investments Jamaica Limited at, 85 Hope Road, Kingston 6 or to any of their offices in Jamaica.
2. Applications must be for a minimum of 1,000 shares with increments in multiples of 1,000 shares. Applications in other denominations **will not** be processed or accepted.
3. If you are a Reserve Share Applicant, please specify by inputting you SIGMA account number OR employee number in the fields provided in the Form.
4. To be eligible for the Reserve Pool as a SIGMA account holder, the account must be opened by May 31, 2019
5. All applicants must attach their payment for the specified number of Shares they have applied for, in the form of either:
  - a) A Manager’s cheque made payable to Sagicor Investments Jamaica Limited and
  - b) Transfer in Real Time Gross Settlement (RTGS) system, in the case of payment of J\$1,000,000 or more to

Beneficiary Bank Name:	Sagicor Bank Jamaica Limited
Beneficiary Account Name:	Sagicor Investments Jamaica Limited
Beneficiary Account:	5503131813
BIC:	SAJAJMKN
Payment Reference:	“Client Name” – Sagicor Select Funds IPO

6. If you are applying jointly with another person, you must complete the Joint Holder Information and each joint holder **must** sign the Application Form in the place indicated.
7. All Applicants must be at least 18 years old and must attach a certified copy of their T.R.N. card or Jamaican Driver’s Licence displaying the T.R.N.
8. All Applicants must fill out the banking information for the purposes of REFUND
9. Share Certificates will not be issued unless specifically requested through your broker. Instead, the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository (“JCSD”). If the applicant does not have a JCSD account, one will be created by your broker and the allotted shares deposited to that account.
10. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus and the Articles of Incorporation of the Company generally.

**THIS SECTION FOR USE BY BROKER ONLY**

DATE APPLICATION RECEIVED: \_\_\_\_\_ TIME  
 RECEIVED \_\_\_\_\_

PAYMENT METHOD:  Cheque       Electronic Transfer

PAYMENT AMOUNT: \_\_\_\_\_ PAYMENT  
 DATE: \_\_\_\_\_

POOL: \_\_\_\_\_

\_\_\_\_\_  
 Broker Authorised Signatory & Stamp