

INVEST IN YOUR FUTURE



Sagicor

Wise Financial Thinking for Life



Investing, and your Pensions

NO BETTER TIME THAN THE PRESENT - Investing, and Your Pension

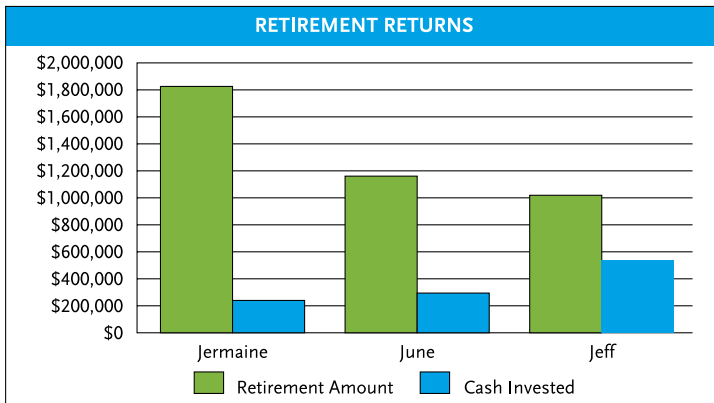
The sooner you start investing, the better off you will be. Taking an early interest in your finances for the future, and your pension plan will determine whether you live 'well' or 'very well' during your retirement years. After 40 or so years of work we all deserve to live 'very well' during retirement. The actions of today can affect your life in the future.

Whether we can invest ONE DOLLAR a day or ONE THOUSAND DOLLARS, due to the compounding of your investments' returns, the most conservative of investments can show favorable performance.

Example:

Some years ago, John and Joan were the proud parents of triplets.

- Child 1: Jermaine left school at 16, spent two years as an apprentice and went to work as a mason. He was able to invest \$100 a week in a Sagicor Fund with an expected return of 7% per year for his retirement at 65.
- Child 2: June went to university and gained an MBA. She became a manager at a construction company and when June reached 30, she began to invest \$700 per month in a Sagicor Fund with an expected return of 7% per year for her retirement at 65.
- Child 3: Jeff was an entrepreneur, and invested his time and money in real estate and construction. He invested all of his money into his business in the early years. When Jeff reached 47, he began to invest \$30,000 per year in a Sagicor Fund with an expected return of 7% per year for his retirement at 65.



| | Jermaine | June | Jeff |
|-----------------|-------------|-------------|-------------|
| Cash Invested | \$235,200 | \$294,000 | \$540,000 |
| Retirement Fund | \$1,819,195 | \$1,161,190 | \$1,019,971 |

1. The Impact of Inflation:

Inflation reduces the value of money over time and is a key reason for persons to want to invest for their future. Even at a low rate of 3% annual inflation, a dollar today is only worth 49 cents in 25 years. In fact, in 45 years that same one dollar would only be worth 27 cents. You would need \$734 to purchase what could be bought today with \$200. To prepare for the future and reach your investment goals, you need to consider the impact of inflation.

2. It is Within Your Reach:

You don't need a large amount to start investing; regardless of your level of income, you can start investing at least \$50 per week which can result in great accumulations of wealth in the near future.

3. Consistency is More Important than Expertise:

You do not need to be a financial guru to invest. All you need is the discipline to ensure you can contribute money consistently, the attentiveness to keep an eye on your investments' progress, and an investment manager that you can trust i.e. Sagior; Jeff, June, and Jermaine did this in the last example.

The following example highlights these points:

John Jones Jr. and Earl Ealing Esq. took two very different approaches to investing. John knew about the effects of inflation and tried to warn Earl, but Earl would not listen.

John saved \$400 a month to put towards his pension in a Sagior Fund, at a rate of 8%. In 45 years when he retired, he had \$1.86 million to spend.

Earl saved \$400 a month, stuffed it in a pillow and hid it in his basement. In 45 years when he retired, he had \$216,000. This amount was 8 TIMES LESS than John's savings. In fact, with 3% inflation, Earl's figure dropped to a value of less than \$120,000 of today's dollars.

INVESTMENT/RETIREMENT STRATEGY:

1. Know Where You are Now –

Start planning your future with good information about your own financial situation and a sound knowledge of how your public and company pension plans/investment plans work. Look at your level of savings and calculate your net worth (your assets minus your liabilities).

2. Decide Where You Want to Be –

Put some thought into your broad retirement/investment goals. At what age do you want to retire? What level of investments do you want to have 15 years into the future? What do you want to do in your retirement years and at what stage will your spouse and family be at that time?

3. Determine Your Risk Tolerance –

Can you live with the risk that your investments may temporarily decline in value at some point in time? Your tolerance for risk and volatility are part of your personality. If you are a conservative person or a person with limited funds, you may choose to invest with a different strategy that a person who likes risk or someone who has a lot of excess cash to spend.

4. Plan a Way to Get Where You Want to Be

Now that you are ready, contact Sagicor and we can help you put together a plan that takes into account your public and company pensions, and regular savings plan with an investment strategy to suit your risk tolerance and goals.

THE MUTUAL FUND:

The premise behind the Mutual Fund is that you will be investing in an instrument that will allow you to ‘pool’ your money with other investors. You would become a part owner in the fund itself, and thereby assets of the fund. The fund in turn uses the investors’ cash to purchase securities such as:

- **Stocks** - represent ownership in leading public companies that are traded on local, regional and international stock exchanges,
- **Bonds** - you lend money to companies and governments who pay you interest for borrowing your money (like a bank loan – except that YOU ARE THE BANK). They are not as risky as stocks,
- **Money Market Instruments** - are interest bearing securities that are very stable in value, and

- **Mutual Funds** - expect to give a good return over the long run.

Sagikor's mutual funds are open-ended, and allow investors to buy and sell shares on an ongoing basis.

With Sagikor, the Investor will benefit from:

1. Professional Management:

With over 165 years of financing and investing experience, Sagikor boasts a proud investment history and portfolio of investments, with knowledgeable Investment Managers, Analysts, and Accountants who will monitor your assets to help you achieve your financial objectives.

2. The Ability to Diversify Your Risk:

Another important aspect with investing with Sagikor is that we will not “put all of your eggs in one basket”! In keeping with our commitment of “Wise Financial Thinking For Life” we spread your investments over a wide range of companies and industries that can help lower your risk if a particular company or sector does not perform to expectations.



3. Convenient Investing:

The ability to buy and sell with ease is very important. Purchasing shares in a mutual fund is as easy as filling out the application form and making the investment. Selling the shares is just as easy; and since our funds never close to investments you can buy or sell your shares at your own convenience. Another added benefit is that you don't need to find a buyer or seller; the mutual fund itself will repurchase your shares.

4. A Little Today, A Lot Tomorrow:

The Funds accommodate persons who do not have much money. Low start up fees, and subsequent low purchase amounts allow persons to invest as often as they want. REMEMBER THOUGH: Mutual Funds are primarily long term investments and give the assurance that a little can go a long way.

THE FUNDS:

SAGICOR SELECT GROWTH FUND – A 'Fund of Funds' mutual fund. This fund will allow you to have the benefits of investing in a wide range of mutual funds and is suitable for investors who are seeking to diversify their portfolio and are willing to accept a higher degree of short term risks and price fluctuation. The fund is expected to give a return of 8% a year.

SAGICOR GLOBAL BALANCED FUND – A Fund that invests in a diverse mix of local, regional, and international stocks and bonds to achieve an income and long term capital growth appreciation. This fund balances performance and risk and has an expected payout of 7% a year.

SAGICOR PREFERRED INCOME FUND – A Fund that offers a mix of regional and international fixed income securities (such as bonds) and preferred shares. The focus of this fund is to preserve capital and give consistent returns.

| Choosing a Fund For Your Investment | | |
|-------------------------------------|---------------------------------|--|
| Age | Fund (Estimated Return) | Risk Profile |
| Up to 44 Years | Select Growth Fund (7% - 8%) | You can afford to take some risks. There is time to recover if a dip or loss occurs. |
| 45 - 54 | Global Balanced Fund (6% - 7%) | Moving away from riskier investments. The focus is on preserving capital. |
| 55 + | Preferred Income Fund (5% - 6%) | Stick to secure investments. Lowest Risk. |

RISK AND REWARD

Every day we face risks. There is a risk crossing the street, changing jobs, choosing a life partner, etc. Investing and planning for your retirement are no different. However, depending on your level of risk you can choose to invest in the fund that makes you the most comfortable. Investing works under the basic tenet that if you want more rewards, you have to undertake more risk to get it. With Sagicor, you will be able to successfully minimize your level of risk whilst maximizing your potential return.

Past performance however is no indicator of future growth.

Contact your Sagicor representative today.

*This brochure is targeted towards persons who are thinking of selecting a Sagicor mutual fund as their investment instrument for their Defined Contribution Pension Plan.”



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