

## SAGICOR PREFERRED INCOME FUND

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| <b>Launch Date:</b>                        | December 2, 2004<br>Series B shares issued to residents of Barbados, BDS\$ denominated.<br>Series BU shares issued to non-residents, US\$ denominated.   |
| <b>Offer Price:</b>                        | \$1.00 per share   |
| <b>Offer Period:</b>                       | For a period of one month after launch date, during this time the Fund will not be valued, share price will remain at \$1.00 per share.  |
| <b>Investment Manager:</b>                 | Sagicor Asset Management Inc.  |
| <b>Valuation Date:</b>                     | Once a week on Fridays.  |
| <b>Minimum Initial Investment:</b>         | BDS\$ 500.00 (or US\$255.00)   |
| <b>Minimum Continuing Investment:</b>      | BDS\$ 200.00 (or US\$102.00)   |
| <b>Sales Charge:</b>                       | No sales charge  |
| <b>Redemption Charge:</b>                  | 2% of gross investment if withdrawn in one year<br>1% of gross investment if withdrawn in two years  |
| <b>Investment Strategy:</b>                | Up to 75% of net assets in investment grade debt obligations, Bonds, Debentures, Treasury Bills, Corporate Bonds.<br>Up to 25% of net assets in equities of local, regional and international companies.               |
| <b>Investment Limitations:</b>             | Not more than 5% of Fund's assets in securities issued by one company. Not more than 15% of the Fund's assets in securities that are not quoted and not regularly traded.  |
| <b>Yield:</b>                              | The projected yield on the intended investment portfolio is 7%.  |
| <b>Application &amp; Redemption Forms:</b> | Should be received by 3:00 p.m. on Thursdays. The valuation day is Friday. Redemption cheques will be prepared on Mondays. Statements for purchases will be prepared on Mondays.                                       |
| <b>Annual Charges:</b>                     | Investment management fee – 0.75% per annum.<br>Custodian Fee - 0.25% per annum.   |
| <b>Dividend Policy:</b>                    | Dividends will be paid twice annually to holders of Preferred Income Fund Shares. It is expected that such dividends will be paid on May 31 and November 30. The first distribution will be made on November 30, 2005. |
| <b>Dividend Tax:</b>                       | Dividend payments will be subject to 12.5% withholding tax.  |
| <b>Tax Incentives:</b>                     | In accordance with the provisions of the Income Tax Act, individual residents in Barbados may claim an annual deduction.<br>The maximum annual amount which may be deducted  |

- Tax Incentives (Bonus):** from income is BDS\$10,000.00. Individuals resident in Barbados whose employers do not offer them shares in lieu of bonus, may claim as a deduction the lower of 75% of their annual bonus or \$7,500 if such bonus is invested in a mutual fund within four months from the date on which the annual bonus payment was made.
- Payment:** All cheques should be made payable to Sagicor Preferred Income Fund.
- Applications:** May be made at:  
Sagicor Asset Management Inc.  
Sagicor Life Inc  
Butterfield Bank (Barbados) Limited.

Sagicor Preferred Income Fund may be appropriate for Investors who:

- Are seeking a high level of current income but willing to accept a moderate degree of price fluctuation;
- Are concerned about moderating the risk of being invested in equities at all times;
- Are seeking to diversify their portfolio;
- Are seeking to invest for the medium to long term.

Sagicor Preferred Income Fund may NOT be appropriate for investors who:

- Are seeking to meet short term financial goals;
- Are unwilling to accept a moderate degree of risk and market fluctuation