

### Directors' Statement

On behalf of the Board of Directors of Sagicor Real Estate X Fund Limited (X Fund or the Group) we are pleased to report the financial results of the Group for the third quarter ended 30 September 2015.

#### Overview

The Group invests in the tourism sector and commercial real estates, through its investment in the Sigma Real Estate Portfolio and by its direct ownership of the Hilton Rose Hall Resort and Spa in Montego Bay (the Hilton Rose Hall) and the Doubletree Universal in Orlando, Florida (Doubletree).

Major changes in 2015 were the acquisitions of the 489 room Hilton Rose Hall effective January 2015 and the 742 room Doubletree in September 2015. The Doubletree, which is located at the entrance of Universal Studios, will add diversity to the Group's revenue stream as the first non-Jamaican property holding. The purchase of the Hilton Rose Hall and the Doubletree were funded through a combination of long term borrowings (\$16.2 billion) and a rights issue by X Fund in September 2015 of \$5.2 billion.

The Group generated consolidated net profit attributable to stockholders for the nine months ended 30 September 2015 of \$1.035 billion, a 52% increase over 2014 net profit of \$681 million. This improved performance was due to:

- Earnings before Interest Tax Depreciation and Amortization (EBITDA) from the Hilton Rose Hall and Doubletree of \$1.020 billion
- Capital gain on its investment in Sigma Real Estate Portfolio of \$1.001 billion

Earnings per stock unit was \$0.63 (2014 - \$0.44 after adjustment for rights issue) and annualized return on average Stockholders' Equity was 11.30% (2014 - 10.37%).

#### Operations

During the period, the Group's income earning activities were mainly its operating activities of the Hilton Rose Hall and the Doubletree and investment in the Sigma Real Estate Portfolio (the Portfolio). Consolidated revenue was \$4.363 billion, up from \$2.826 billion at Q2 2015 and \$681 million at Q3 2014. This reflects strong revenue from the Hilton Rose Hall of \$3.464 billion (Q2 2015 - \$2.350 billion). Unrealized capital gains from investment in the Portfolio were 47% more than 2014 (\$1.001 billion when compared with \$681.2 million) with foreign exchange losses on the loans of \$256 million. The net earnings in the Portfolio, which forms the basis for appreciation of the Portfolio unit values, was based on Q3 revenue of \$6.173 billion, EBITDA of \$1.736 billion and net profit of \$1.726 billion. The Portfolio net earnings had revaluation gain of \$792 million during the period.

Group Interest income contributed \$14 million (2014 - \$nil).

Consolidated net profit attributable to stockholders was \$1.035 billion, after hotel operating expenses of \$2.509 billion, depreciation of \$157 million, interest expenses of \$512 million, other expenses \$3 million and taxation of \$147 million. Net profit at the end of the second quarter of 2015 was \$686.8 million with Q3 2014 being \$681.2 million.

The Group generated cash of \$802.44 million from its operating activities (Q2

2015 - \$746.3, Q3 2014 - \$Nil). New borrowings, funds generated from a rights issue in September 2015 and proceeds from sale of investments were used to acquire the Hilton Rose Hall and the Doubletree during 2015. At September 30, 2015, the Group had cash and cash equivalents of \$711.97 million, up from \$515.8million at Q2 2015 and \$240.6 million at December 31, 2014 (September 2014 - \$Nil). The cash and cash equivalent excluded restricted cash of \$1.672 billion for the renovation of the Doubletree.

#### Balance Sheet

The Group's total assets grew by \$11.66 billion to \$32.85 billion at the end of September 2015, up from \$14.22 billion as at December 31, 2014 and \$21.19 billion at the end of June 2015. This 2015 growth of 131% reflects the acquisitions of the Hilton Rose Hall Hotel and the Doubletree, as well as appreciation of units in the Sigma Real Estate Portfolio. The acquisitions were financed by issuing a US\$46.75 million fixed rate mortgage note in January 2015 and a further US\$51 million loan and J\$5.2 billion rights issue in September 2015. Total long term borrowing at September 2015 stood at \$16.550 billion.

Total Stockholders' Equity as at September 30, 2015 was \$15.33 billion compared to \$9.34 billion as at December 31, 2014 and \$9.79 billion as at June 2015. Net earnings, the rights issue, less a dividend distribution to stockholders of \$239.3 million, attributed to the increase in Equity. With 2,243,005,125 shares in issue, up from 1,495,336,750 prior to the rights issue, the share price at September 30, 2015 was \$7.50 (June 30, 2015 - \$7.51).

#### Market Dynamics

##### Tourism Sector

Data published by the Jamaica Tourist Board (JTB), revealed higher tourist arrivals for 2015 when compared with 2014 in the Jamaica tourism market. Total stopover tourist arrivals, increased 2.5% to 1,327,836 for the January to July 2015 period, up from 1,295,342 for the similar period a year earlier. This was supported by a 17.6% surge in the number of visitors from the UK (approximately 9% of the total market). The two major source markets (USA and Canada), accounting for over 80% of the stop over arrivals, recorded mix results. Arrivals from the Canadian source market decline by 6.0%. Conversely, visitors from the USA grew 4.3%.

Cruise passenger arrivals grew by 9.7% to 931,429. This largely reflected increased ship calls at the Montego Bay and Ocho Rios cruise piers, as the number of passengers expanded by 38.3% and 23.2% respectively.

The United Nations World Tourism Organization (UNWTO) forecasts growth in global tourist arrivals within the range of 3% - 4% in 2015. This growth is expected to be strongest in the Americas and Asia, which are up 4% and 5% respectively.

With global tourist travel expected to increase, local economic activity for the Hotels and Restaurants industry is expected to increase during 2015. This growth is predicated on increased stopover arrivals following improved tourist product offerings, and higher cruise passenger arrivals, stemming from the anticipated introduction of new cruise to the island during 2015.

#### Commercial Sector

The performance of the construction sector is used as a gauge for assessing activities in the real estate sector. During the September quarter, the construction sector is projected to continue on its growth path from Q2. This is largely attributable to the continued expansion of road infrastructure, hotel facilities and the expansion of infrastructure for Business Process Outsourcing (BPO).

The importance of the BPO sector has been increasing as it continues to contribute positively to economic activities. The short-term prospects for the Jamaican economy are positive, based on continued construction and retrofitting of building space to facilitate the expansion of the BPO sub-sector.

Over the near term several strategic projects, including Business Process Outsourcing are earmarked for implementation, particular during the GOJ FY 2015/16. New developments in the BPO sub-industry will be supported by the creation of additional space. Additionally, the planned construction of approximately 3000 rooms will sustain the demand for real estate over the near to medium term.

#### Corporate Social Activities

International Coastal Clean Up Day saw stakeholders from various communities

and the Hilton Rose Hall/Jewel hotels staff members joining together to clean up beach front areas and communities. This event brought greater awareness to the magnitude of waste on our coastlines, streets, and communities. Over 1300 plastic bottles were collected and recycled, while plastic bags and papers were gathered and discarded.

Our support for football continued with members of the surrounding communities benefitting tremendously from the use of our recently acquired land for their football matches. The land is maintained and kept secure by the Management of the Hilton Rose Hall.

The Runaway Bay Basic School continues to benefit from assistance from the Jewel Runaway Bay. School supplies were donated to the school and assistance provided for their school leaving exercise.

Approximately 35 staff members from the Jewel Dunn's River spent the day at the infirmary pampering the residents. Shrubs were cleared and the administrative building painted by staff members.

#### Outlook

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

We thank our stakeholders for the confidence they have shown in us, as we commit to serve you with professionalism and excellent customer service.

On behalf of The Board of Directors:

RICHARD BYLES  
Chairman  
6 November 2015

ROHAN MILLER  
Chief Executive Officer



HIGHLIGHTS			
	Sept 2015 Unaudited	Sept 2014 Unaudited	% Change
Total Revenue - J\$ million	4,363.4	681.2	541%
Earnings before interest tax depreciation and amortization (EBITDA) - J\$ million	1,851.1	681.2	172%
Net Profit attributable to stockholders - J\$ million	1,035.2	681.2	52%
Earnings per stock unit - J\$ (restated for rights issue)	0.63	0.44	43%
Annualized return on average Stockholders' Equity (ROE)	11.30%	10.37%	9%
Total Assets - J\$ billion	32.849	9.099	261%
Stockholders' Equity J\$ billion	15.331	9.099	68%
Book value per share - J\$	6.84	6.09	12%
JSE X Fund share price - J\$	7.50	6.51	15%

SIGMA REAL ESTATE PORTFOLIO			OWNED PROPERTIES			
	Revenue \$M	EBITDA \$M	Net Income \$M		Revenue \$M	EBITDA \$M
Hotel sector	5,222	1,147	1,137	Hotels	3,604	1,020
Non-hotel properties	400	303	303	Other	N/A	N/A
Other	551	286	286	Total	3,604	1,020
Total	6,173	1,736	1,726			

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) As At 30 September 2015 (Expressed in thousands of Jamaican dollars)

	September 2015 Unaudited	September 2014 Unaudited	December 2014 Audited
<b>ASSETS:</b>			
Property plant and equipment	19,095,895	-	-
Securities purchased under agreement to resell	486,324	-	2,784,912
Financial investments	104,680	-	74,738
Investment in Sigma Real Estate Portfolio	10,404,555	9,099,356	9,403,194
Accounts receivable	551,684	-	1,956,069
Inventories	116,688	-	-
Deferred tax assets	-	1	-
Cash and bank	2,089,279	-	-
<b>TOTAL ASSETS</b>	<b>32,849,105</b>	<b>9,099,357</b>	<b>14,218,913</b>
<b>STOCKHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Equity attributable to stockholders of the company</b>			
Share capital	12,642,512	7,476,016	7,476,016
Currency translation reserves	29,315	-	-
Retained earnings	2,659,524	1,623,341	1,863,628
<b>Total Equity</b>	<b>15,331,351</b>	<b>9,099,357</b>	<b>9,339,644</b>
<b>Liabilities</b>			
Loan payable	16,549,766	-	4,860,374
Accounts payable	802,610	-	-
Taxation payable	48	-	48
Deferred income taxes	165,330	-	18,847
<b>Total Liabilities</b>	<b>17,517,754</b>	<b>-</b>	<b>4,879,269</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>32,849,105</b>	<b>9,099,357</b>	<b>14,218,913</b>

Richard Byles  
Chairman  
6 November 2015

Rohan Miller  
Director & CEO

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the nine months ended 30 September 2015 (Expressed in thousands of Jamaican dollars)

	September 2015 Quarter Unaudited	September 2014 Quarter Unaudited	September 2015 Year-to-date Unaudited	September 2014 Year-to-date Unaudited	December 2014 Audited
<b>Revenue:</b>					
Interest income	5,299	-	13,994	-	5,637
Net capital gains on financial assets and liabilities	279,211	270,916	746,266	681,200	957,141
Hotel revenue	1,253,343	-	3,603,189	-	-
<b>Total revenue</b>	<b>1,537,853</b>	<b>270,916</b>	<b>4,363,449</b>	<b>681,200</b>	<b>962,778</b>
<b>Expenses:</b>					
Hotel expenses	988,123	-	2,509,193	-	-
Depreciation	64,355	-	156,919	-	-
Interest and other financing costs	130,161	-	512,476	-	22,395
Other operating expenses	1,382	-	3,168	-	-
<b>Total expenses</b>	<b>1,184,021</b>	<b>0</b>	<b>3,181,756</b>	<b>0</b>	<b>22,395</b>
<b>Profit before Taxation</b>	<b>353,832</b>	<b>270,916</b>	<b>1,181,693</b>	<b>681,200</b>	<b>940,383</b>
Taxation	(4,438)	-	(146,543)	-	(18,896)
<b>NET PROFIT</b>	<b>349,394</b>	<b>270,916</b>	<b>1,035,150</b>	<b>681,200</b>	<b>921,487</b>
<b>Other comprehensive income:</b>					
Re-translation of foreign operation	29,315	-	29,315	-	-
Total other income recognised directly in Stockholders' equity	29,315	-	29,315	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>378,709</b>	<b>270,916</b>	<b>1,064,465</b>	<b>681,200</b>	<b>921,487</b>
<b>Earnings per stock unit for profit attributable to stockholders of the parent company:</b>					
Basic and fully diluted (originally reported)	\$0.17	\$0.19	\$0.63	\$0.46	\$0.62
Basic and Fully diluted (restated for rights issue)	\$0.18	\$0.19	\$0.63	\$0.44	\$0.59

**Explanatory Notes**  
**Identification**  
The Sagicor Real Estate X Fund Limited (X Fund), the Company, is incorporated as an international business company under

the International Business Companies Act, 1999 (as amended) of Saint Lucia. The X Fund is 52.3% owned by the Sagicor Pooled Pension Investment Funds, which are administered by Sagicor Life Jamaica

Limited. The other significant shareholders in X Fund are Sagicor Group Jamaica Limited - 21.1% and Sagicor Real Estate Fund with 8.2%

The Company is the parent of X Fund Properties Limited, a wholly owned subsidiary incorporated and domiciled in Jamaica. X Fund Properties Limited, is the parent of X Fund Properties LLC, a

subsidiary incorporated and domiciled in Delaware, USA.

#### Basis of preparation

These condensed financial statements have been prepared in conformity

with International Financial Reporting Standards (IFRS) and the accounting policies as set out in note 2 of the December 31, 2014 audited financial statements.