



FG FINANCIAL DIVERSIFIED FUND

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2012

INVESTMENT OBJECTIVE

FG Financial Diversified Fund is a balanced Fund whose objective is to provide above-average income and opportunities for long-term growth of capital and income. The Fund caters to investors with a moderate risk profile, and is well positioned to allow investors to reap the benefits of an upturn in the equities market while not suffering the full impact of losses during economic downturns.

INVESTMENT STRATEGY

FG Financial Diversified Fund seeks to provide a combination of growth, income and conservation of capital by investing in a combination of term deposits, mortgages, mutual funds, equities (listed and non-listed) and fixed income securities. The Fund may also invest in publicly traded or privately issued preference shares.

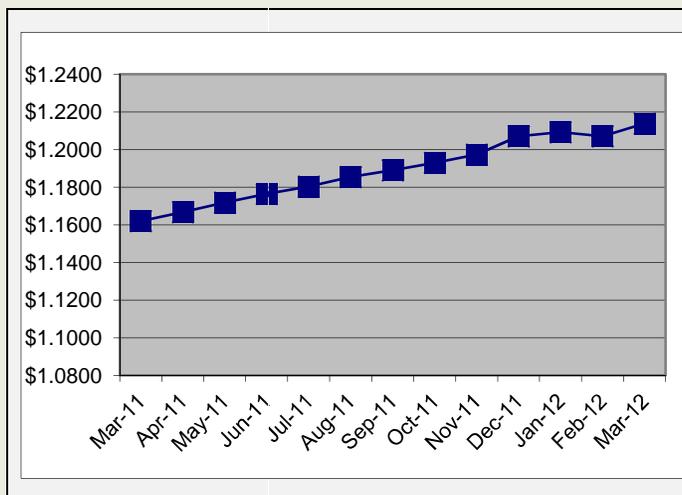
FIRST QUARTER REVIEW

FG Financial Diversified Fund ended the first quarter, with a net asset value (NAV) per share of \$1.2138, which equates to a yield of 0.56%, underperforming its benchmark (prime rate plus 25 basis points) by 69 basis points, which returned 1.25% over the same period. The Fund's 12-month returns of 4.46% underperformed benchmark returns of 5.16% by 70 basis points. The Fund's average annualized yield since inception approximates 5.35%, 25 basis points below benchmark annualized returns of 5.60%.

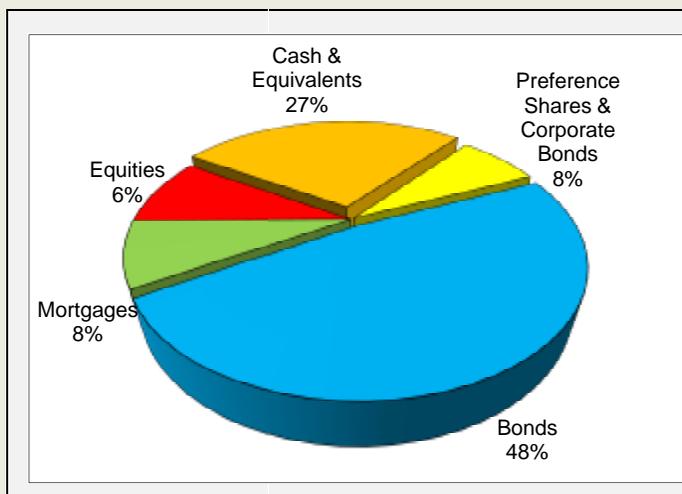
The Fund continues to experience growth in net assets, fueled by net subscriptions of \$170,000 and net investment income of \$35,000. The downward spiral of several of the publicly traded companies on the local stock exchange resulted in our equities portfolio yielding negative net returns of -5.36%. However, our combined investment in fixed income and preference share securities generated income of approximately \$84,000, which more than adequately cushioned the impact of the share depreciation. During the quarter, the Fund acquired minimal share allocation in the Arawak Port Development (APD) initial public offering and invested in additional government guaranteed bonds.

The domestic economy continues to exhibit modest growth largely due to gains in tourism output and foreign-investment led construction activity. However despite the indicators of modest growth, unemployment levels remain elevated and inflation is upwardly rising due to the effects of higher international oil prices.

Net Asset Value Performance



Fund Composition



Top Three Equity Positions

STOCK HOLDINGS	DIVIDEND YIELD	QTR.1 RETURN	YTD RETURN
FAM	4.66%	-4.05%	-4.05%
CAB	4.27%	-8.71%	-8.71%
CBL	4.63%	-9.71%	-9.71%

INVESTMENT MANAGER	FAMILY GUARDIAN INSURANCE
Analysis Period:	Dec. 31, 2011 — Mar. 31, 2012
Benchmark:	PRIME RATE + 25 BASIS POINTS

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PERFORMANCE	QTR-1	YTD	12-MONTHS	INCEPTION (Annualized)
Fund	+0.56%	+0.56%	+4.46%	+5.35%
Benchmark	+1.25%	+1.25%	+5.16%	+5.60%
+/- Benchmark	-0.69%	-0.69%	-0.70%	-0.25%