



FG FINANCIAL GROWTH FUND

Quarterly Report For The Period Ended June 30, 2014

INVESTMENT OBJECTIVE

The FG Financial Growth Fund (the "Fund") is our most aggressive Fund whose objective is to provide a combination of capital appreciation and income over the long-term. The Fund is targeted towards individual and institutional investors with long-term horizons and capital growth objectives whose risk profile includes a tolerance for the volatility of the equities market.

INVESTMENT STRATEGY

The Fund invests in a diversified selection of Bahamian equities (listed and non-listed), mortgages, and fixed income securities. The Growth Fund invests in equities that are expected to be liquid relative to other local equities and which are expected to generate long-term total returns in excess of the BISX All Share Index (the "Benchmark").

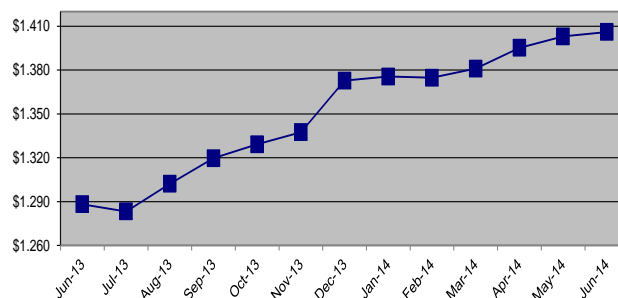
FOURTH QUARTER REVIEW

The Fund's net asset value (NAV) per share increased by 1.82% during the 2Q14 to \$1.4061. The Fund underperformed the BISX All Share Index (the "Benchmark") returns of 6.24% by 3.81%. Over the 12 months ended June 30, 2014 the Fund's return of 9.15% was 1.74% lower than the Benchmark's return of 10.89%. Over the previous three years, the Fund yielded 7.99% per annum, 446 basis points above the Benchmark's returns of 3.53%. Since inception, the Fund has outperformed the Benchmark by 9.66%.

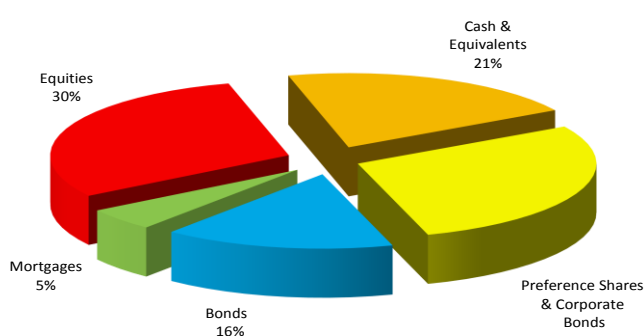
The Fund's equity portfolio has had mixed results YTD. The gains in APD, CBB and FIN have been offset by declines in CAB and CBL. In our 1Q14 report we noted that we are of the view that the share price decline was not based on fundamentals and that we expected to see a recovery over the remainder of the year. During the 2Q14 the share price of CBL appreciated by \$0.62 nearly reversing the \$0.64 decline during the 1Q14.

During the quarter, we were able to reduce our Cash & Cash Equivalents position from 24% of the total portfolio to 21% primarily as a result of an investment in the Cable Bahamas preference share offering in June. During the remainder of 2014, our strategy will be to continue to prudently invest any surplus cash in government bonds, preferred share offerings, equities and mortgages and reduce the drag the excess cash is having on the Fund's return..

NET ASSET VALUE PERFORMANCE



FUND COMPOSITION



EQUITY POSITION HIGHLIGHTS

STOCK HOLDINGS	DIVIDEND YIELD	QTR.2 RETURN	YTD RETURN
APD	1.87%	+10.10%	+21.0%
CAB	3.59%	0.00%	-4.00%
CBB	5.59%	+0.00%	+7.82%
CBL	5.22%	+9.90%	-0.03%
FIN	2.69%	+0.00%	+6.20%

INVESTMENT MANAGER	FAMILY GUARDIAN INSURANCE
Analysis Period:	Mar. 31, 2014 — June 30, 2014
Benchmark:	BISX ALL SHARE INDEX

PERFORMANCE	QTR-2	YTD	1 YR	3 YRS	INCEPTION (PER ANNUM)
Fund	+1.82%	+2.43%	+9.15%	+7.99%	+6.41%
Benchmark	+3.12%	+6.24%	+10.89%	+3.53%	-3.24%
+/- Benchmark	-2.53%	-3.81%	-1.74%	+4.46%	+9.66%

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