



FG FINANCIAL PENSIONS & INVESTMENTS

FG FINANCIAL GROWTH FUND

QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2011

Investment Objective

FG Financial Growth Fund is an aggressive Fund whose objective is to provide a combination of capital appreciation and income over the long-term. This Fund is ideal for individual and institutional investors with long-term horizons and capital growth objectives who can withstand the volatility of the equities market.

Investment Strategy

FG Financial Growth Fund invests in a diversified selection of Bahamian equities (listed and non-listed), mortgages, and fixed income securities. The Growth Fund focuses primarily on liquid stocks in the Bahamian market with above average long-term growth potential or stocks, which are considered undervalued in the market relative to their long-term potential.

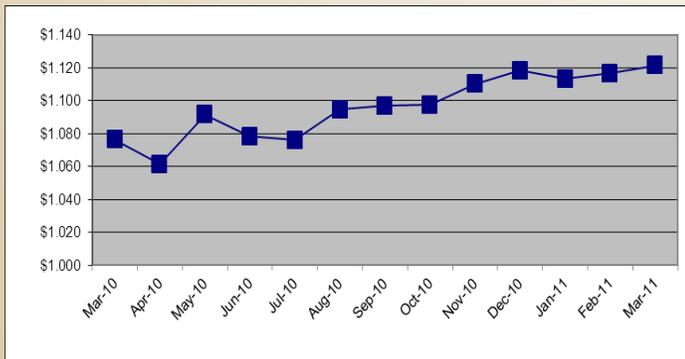
First Quarter 2011 Review

The Growth Fund ended with a net asset value (NAV) per share of \$1.1214, a return of 0.26% for the quarter, beating out its benchmark, the BISX All Share Index, which reported returns of -1.74% over the same period. The Fund's 12-month returns of 4.18% reveal that the Fund outperformed its benchmark returns of -7.72% by 1,190 basis points. From inception, the Fund's average annualized yield approximates 4.05%, compared to the BISX All Share Index, which reflected average annualized returns of -8.32% over the same period.

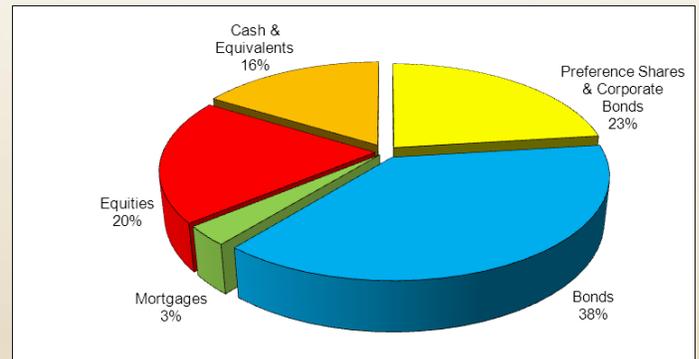
Year-to-date, the equities market contracted through share price depreciation of several publicly traded companies on the local stock exchange mainly due to liquidity needs and uncertainty about the timing of full economic recovery. As a result, our equities portfolio experienced a decrease of approximately \$36 thousand from net capital losses, but was softened by dividend income of \$10 thousand yielding net returns of -4.01%. Net assets available to shareholders remained relatively static during the quarter as cash from subscriptions have been utilized to fund redemption requests.

During the quarter, we channeled available funds into the acquisition of Aetos preference shares (holding company for Wendy's fast food franchise) at an attractive market rate along with a small investment in mortgages. During the remainder of 2011, we will move to increase our holdings in above-average undervalued equities in order to reap the benefits of capital gains in the upswing of the equities market along with additional mortgage investments.

NET ASSET VALUE PERFORMANCE



FUND COMPOSITION



Performance	QTR.1	Y-T-D	12-MTH	Inception
Fund	+0.26%	+0.26%	+4.18%	+4.05%
Benchmark	-1.74%	-1.74%	-7.72%	-8.32%
+/- Benchmark	+2.00%	+2.00%	+11.90%	+12.37%

Investment Mgr.: Family Guardian Insurance

Analysis Period: Dec. 31, 2010 – Mar. 31, 2011

Benchmark: BISX All Share Index

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