



FG FINANCIAL PENSIONS & INVESTMENTS

FG FINANCIAL GROWTH FUND

QUARTERLY REPORT FOR THE PERIOD ENDED JUNE 30, 2010

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.

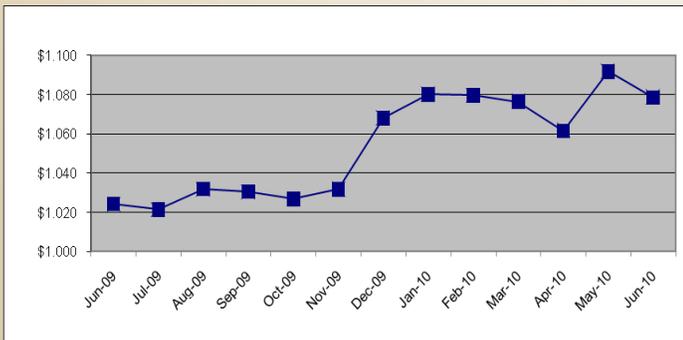
Second Quarter 2010 Review

The Growth Fund ended the second quarter with a net asset value (NAV) per share of \$1.0785, a return of 0.20% for the quarter, beating out its benchmark, the BISX All Share Index, which reported returns of -5.75% over the same period. Year-to-date, the Fund outperformed its benchmark by 485 basis points, yielding 0.98%, compared to benchmark returns of -3.87%. From inception, the Fund's average annualized yield approximates 3.49%, compared to the BISX All Share Index, which reflected average annualized returns of -10.38% over the same period.

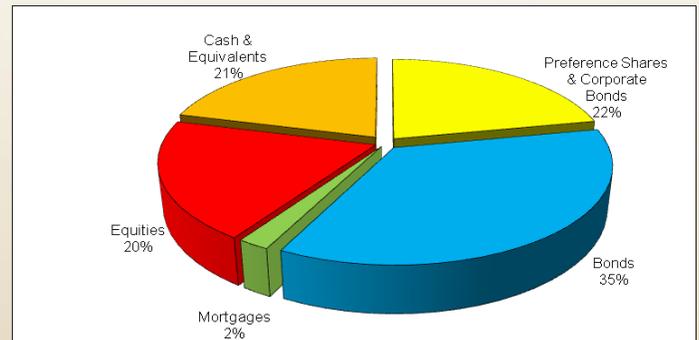
During the quarter, equity markets contracted through share price depreciation of several equities on the local stock exchange, mainly due to liquidity needs and investors remaining uncertain about the timing of full economic recovery. As a result, our equities portfolio experienced a decrease of approximately \$32 thousand from net unrealized losses. Year-to-date unrealized losses on equities of \$47 thousand yielded net returns of -5.25%, but was softened by dividend income of approximately \$13 thousand. Net assets available to shareholders remained relatively static as cash from subscriptions have been utilized to fund redemption requests.

In the short-to-medium term, we will move to invest available funds in undervalued equities in order to position the Fund to reap the benefits of share price gains as the equities market begins to advance. We are also seeking opportunities to increase the mortgage portfolio of the Fund, which will generate stable interest income, providing a further boost in our Fund yield.

NET ASSET VALUE PERFORMANCE



FUND COMPOSITION



Performance	QTR.2	QTR.1	Y-T-D	Inception
Fund	+0.20%	+0.79%	+0.98%	+3.49%
Benchmark	-5.75%	+2.00%	-3.87%	-10.38%
+/- Benchmark	+5.95%	-1.21%	+4.85%	+13.87%

Investment Mgr.: Family Guardian Insurance

Analysis Period: March 31, 2010 – June 30, 2010

Benchmark: BISX All Share Index

for life, for health, for wealth

Call us today at + 242 396-4076 | www.fgfinancialbahamas.com

This document is prepared by FG Financial Limited, which is licensed by the Securities Commission of The Bahamas as a Fund Administrator. FG Financial Limited is the parent company of FG Financial Fund Limited SAC and a subsidiary of FamGuard Corporation Limited. This quarterly review is for informational purposes only. Please note that past performances and rates of return are not indicative of future results.

FAMILY GUARDIAN CORPORATE CENTRE: EAST BAY STREET & VILLAGE ROAD | www.famguardbahamas.com