



FG FINANCIAL GROWTH FUND

QUARTERLY REPORT FOR THE PERIOD ENDED JUNE 30, 2012

INVESTMENT OBJECTIVE

FG Financial Growth Fund (the "Fund") is an 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.

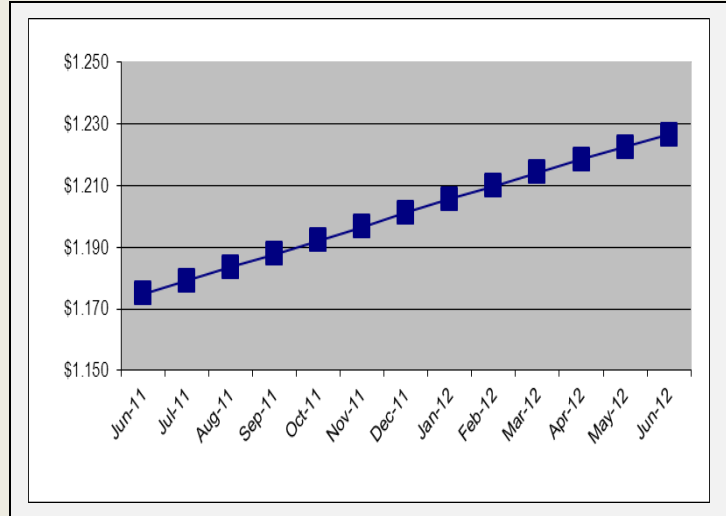
SECOND QUARTER REVIEW

During the second quarter, the Fund's net asset value (NAV) increased by 2.16% to \$1.1739 versus a decline in the first quarter of -1.11%. Year-to-date, the Fund's NAV has appreciated by 1.05% versus the decline of -3.92% in its benchmark. Over the last three years and since inception, the Fund has returned 4.88% and 4.10% per annum respectively. Since inception the Fund has outperformed its benchmark index by 11.91%.

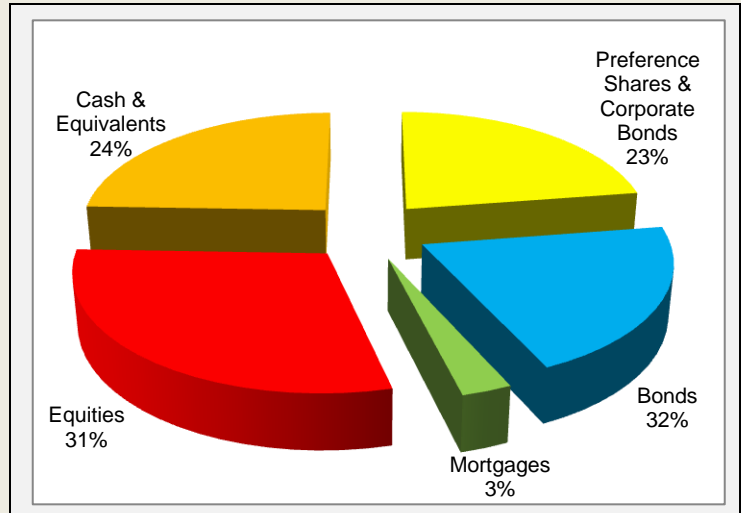
As a result of share price appreciation of several publicly traded companies on the local stock exchange, during the quarter, our equities portfolio yielded total returns of 5.13% through a combination of capital gains and dividends. Year-to-date, the Fund has experienced growth in net assets of \$112,000 driven by net subscriptions of \$77,000 and net investment income of \$35,000.

Approximately 24% of the Fund's assets are invested in short-term bank deposits. During the second half of the year, we will endeavor to invest the majority of this cash in higher yielding instruments, with a focus on equities and high quality mortgages offering attractive long-term yields in excess of potential bonds and preference shares.

Net Asset Value Performance



Fund Composition



Top Three Equity Positions

STOCK HOLDINGS	DIVIDEND YIELD	QTR.2 RETURN	YTD RETURN
CAB	4.89%	+13.08%	+2.98%
CBB	6.82%	+3.88%	+3.88%
FIN	0.00%	+3.33%	+3.33%

INVESTMENT MANAGER	FAMILY GUARDIAN INSURANCE
Analysis Period:	Mar. 31, 2012 — Jun. 30, 2012
Benchmark:	BISX ALL SHARE INDEX

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PERFORMANCE	QTR.2	YTD	1 YR	3 YRS	INCEPTION (PER ANNUM)
Fund	+2.16%	+1.05%	+3.49%	+4.88%	+4.10%
Benchmark	+0.20%	-3.92%	-7.02%	-5.65%	-7.81%
+/- Benchmark	+1.95%	+4.97%	+10.51%	+10.53%	+11.91%