



## FG FINANCIAL GROWTH FUND

*Quarterly Report For The Period Ended June 30, 2013*

### 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").

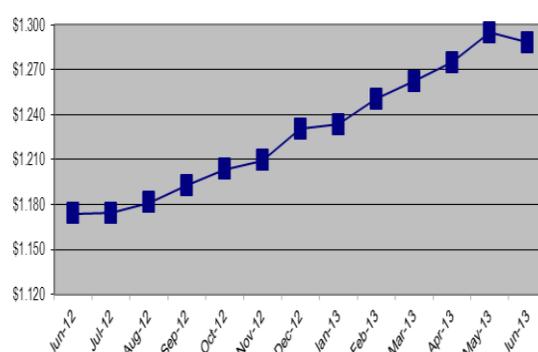
### SECOND QUARTER REVIEW

During the second quarter, the Fund's net asset value (NAV) increased by 2.06% to stand at \$1.2882, outstripping the Benchmark by 85 basis points. Year-to-date, the Fund's NAV appreciated by 4.68% in comparison to the Benchmark's return of 4.49% over the same period. Over the previous three years, the Fund yielded 6.48% per annum, 866 basis points above the Benchmark's return of -2.17%. Since inception, the Fund has outperformed the Benchmark by 1,089 basis points.

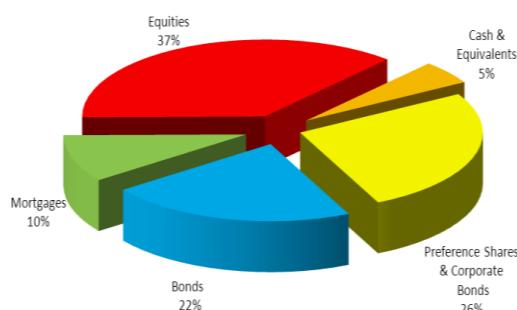
During the quarter, we added to our equity position and the equities market continued to exhibit an upward trend reflecting increased investor confidence in the capital markets. As a result, year-to-date, our equities portfolio yielded net returns of 9.23% through a combination of capital gains and dividend income. We also channeled our surplus cash into investments in government bonds at rates above the Bahamian prime rate and in preference shares offering reasonable dividend rates. In addition, we increased our mortgage portfolio in an effort to provide diversification and further enhance our yields.

During the second half of 2013, our strategy will be to continue to prudently invest any surplus cash in government bonds, preferred share offerings, equities and mortgages.

### NET ASSET VALUE PERFORMANCE



### FUND COMPOSITION



### EQUITY POSITION HIGHLIGHTS

STOCK HOLDINGS	DIVIDEND YIELD	QTR.2 RETURN	YTD RETURN
CAB	3.70%	+1.39%	+1.79%
CBB	6.11%	+14.39%	+20.67%
FIN	2.11%	+3.62%	+26.09%

INVESTMENT MANAGER	FAMILY GUARDIAN INSURANCE
Analysis Period:	Mar. 31, 2013 — Jun. 30, 2013
Benchmark:	BISX ALL SHARE INDEX

PERFORMANCE	QTR-2	YTD	1 YR	3 YRS	INCEPTION (PER ANNUM)
Fund	+2.06%	+4.68%	+9.23%	+6.48%	+5.49%
Benchmark	+1.21%	+4.49%	+7.25%	-2.17%	-5.40%
+/- Benchmark	+0.85%	+0.19%	+1.97%	+8.66%	+10.89%

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