



# FG FINANCIAL PENSIONS & INVESTMENTS

## FG FINANCIAL GROWTH FUND

### QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 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.

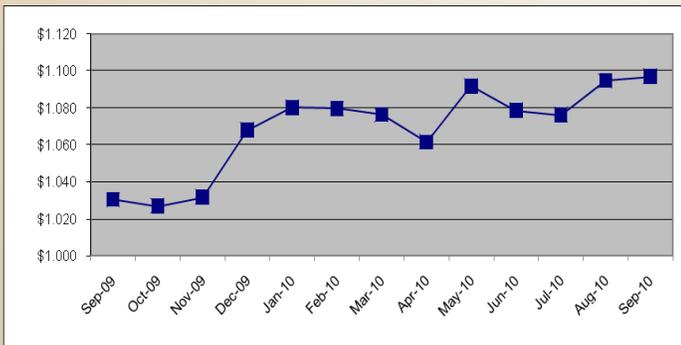
#### Third Quarter 2010 Review

The Growth Fund ended the third quarter with a net asset value (NAV) per share of \$1.0969, a return of 1.71% for the quarter, beating out its benchmark, the BISX All Share Index, which reported returns of 0.79% over the same period. Year-to-date, the Fund outperformed its benchmark by 581 basis points, yielding 2.71%, compared to benchmark returns of -3.11%. Over the past 12-months, the Fund returned an all time high of 6.44% compared to benchmark returns of 1.00% over the same period. From inception, the Fund's average annualized yield approximates 3.88%, compared to the BISX All Share Index, which reflected average annualized returns of -9.10% over the same period.

Positive investor sentiments on several publicly traded companies on the local stock exchange yielded capital gains through share price appreciation during the quarter. As a result, our equities portfolio experienced an increase of approximately \$18 thousand from net unrealized gains. Year-to-date unrealized losses on equities declined to \$29 thousand yielding net returns of -1.82%, but were softened by dividend income of approximately \$18 thousand. Net assets available to shareholders remained relatively static as cash from subscriptions have been utilized to fund redemption requests.

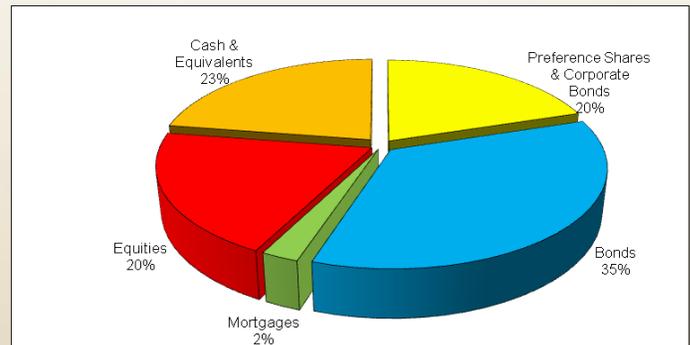
Our final redemption payment on our Caribbean Crossing preference shares were used to facilitate further investment of \$150,000 in preference shares at competitive rates. We marginally increased our mortgage portfolio by \$13,000. We also increased our term deposit holdings by \$103,000, obtaining an attractive deposit rate in order to provide a healthy flow of income generation for the Fund.

#### NET ASSET VALUE PERFORMANCE



Performance	QTR.3	Y-T-D	12-MTH	Inception
Fund	+1.71%	+2.71%	+6.44%	+3.88%
Benchmark	+0.79%	-3.11%	+1.00%	-9.10%
+/- Benchmark	+0.91%	+5.81%	+5.45%	+12.98%

#### FUND COMPOSITION



<b>Investment Mgr.:</b>	<b>Family Guardian Insurance</b>
<b>Analysis Period:</b>	June 30, 2010 – September 30, 2010
<b>Benchmark:</b>	BISX All Share Index

**for life, for health, for wealth**

Call us today at + 242 396-4076 | [www.fgfinancialbahamas.com](http://www.fgfinancialbahamas.com)

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