



FG FINANCIAL GROWTH FUND

QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 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.

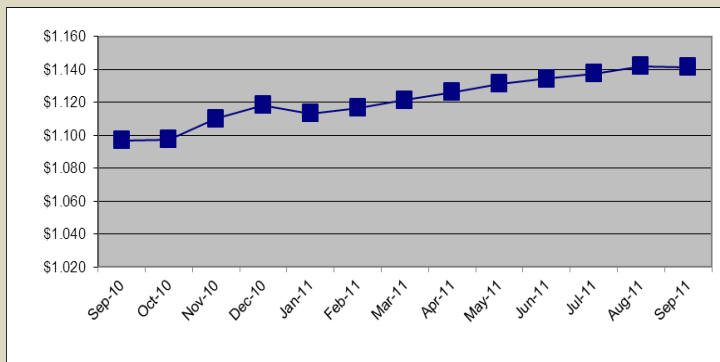
THIRD QUARTER 2011 REVIEW

The Growth Fund ended the third quarter with a net asset value (NAV) per share of \$1.1415, a return of 0.63%, beating out its benchmark, the BISX All Share Index by 308 basis points, which reported returns of -2.44% over the same period. The Fund's year-to-date yield of 2.06% outperformed benchmark returns of -8.23% by 1,028 basis points. Over the past 12-month period, the Fund has returned 4.07%, 1,334 basis points above benchmark returns of -9.27%. From inception, the Fund's average annualized yield approximates 4.04%, 1,259 basis points above the BISX All Share Index, which reflected average annualized returns of -8.55% over the same period.

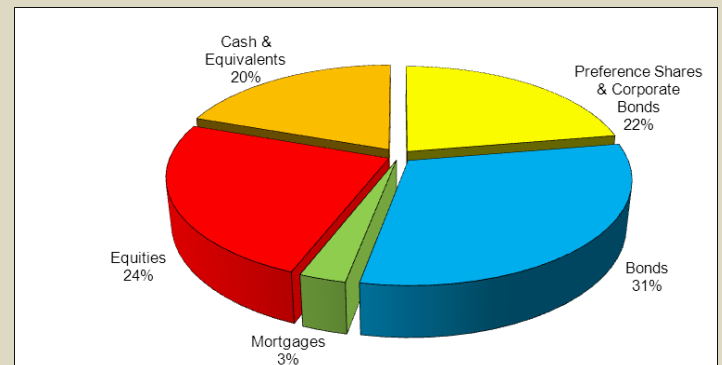
Investor uncertainty around full economic recovery, liquidity needs and new market entrants seeking to acquire shares at discounted prices has placed a downward pressure on the share prices of several of the publicly traded companies on the local stock exchange. As a result, year-to-date our equities portfolio has experienced net capital losses of approximately \$47 thousand, but was softened by dividend income of \$22 thousand, yielding net returns of -3.39%. Year-to-date, the Fund's net assets grew by approximately \$60 thousand generated by net investment income as cash from subscriptions have been offset by redemption requests of an equivalent amount.

During the quarter, we acquired additional preference shares and increased our term deposit holdings. Our goal remains to aggressively increase our mortgage portfolio with A1 rated mortgages and equities portfolio with above average undervalued equities in an effort to further enhance our yields.

NET ASSET VALUE PERFORMANCE



FUND COMPOSITION



PERFORMANCE	QTR.3		Y-T-D		12 MTHS		INCEPTION	
Fund	+0.63	%	+2.06	%	+4.07	%	+4.04	%
Benchmark	-2.44	%	-8.23	%	-9.27	%	-8.55	%
+/- Benchmark	+3.08	%	+10.28	%	+13.34	%	+12.59	%

INVESTMENT MANAGER:	FAMILY GUARDIAN INSURANCE
Analysis Period:	June 30, 2011 – September 30, 2011
Benchmark:	BISX ALL SHARE INDEX

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