



# FG FINANCIAL PENSIONS & INVESTMENTS

## FG FINANCIAL GROWTH FUND

### QUARTERLY REPORT FOR THE PERIOD ENDED DECEMBER 31, 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.

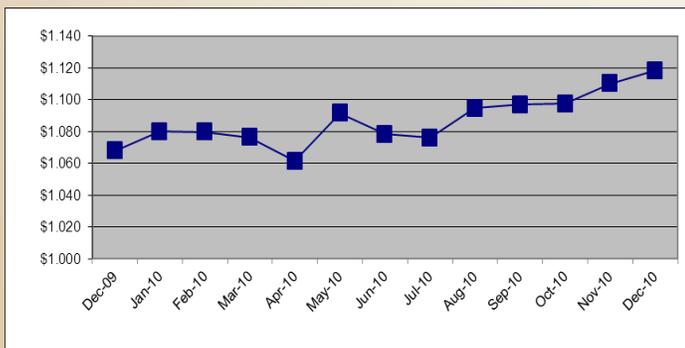
#### Fourth Quarter 2010 Review

The Growth Fund ended the fourth quarter with a net asset value (NAV) per share of \$1.1185, a return of 1.97% for the quarter, beating out its benchmark, the BISX All Share Index, which reported returns of -1.14% over the same period. Year-to-date and 12-months returns of 4.73% reveal that the Fund outperformed its benchmark by 894 basis points, compared to benchmark returns of -4.21%. From inception, the Fund's average annualized yield approximates 4.31%, compared to the BISX All Share Index, which reflected average annualized returns of -8.59% over the same period.

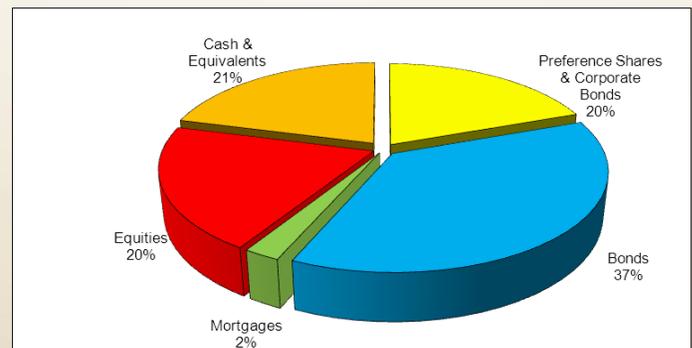
Amid the slow recovery in the global economy, the local stock exchange yielded capital gains through share price appreciation on several publicly traded companies during the quarter due to positive investor sentiments. As a result, our equities portfolio experienced an increase of approximately \$25 thousand from net unrealized gains. Year-to-date unrealized losses declined to \$5 thousand coupled with dividend income of \$25 thousand resulted in our equities portfolio yielding net returns of 3.05%. Net assets available to shareholders increased by approximately \$65 thousand as cash from subscriptions have been utilized to fund redemption requests.

During the quarter, we channeled our available funds to invest \$100,000 in government bonds at attractive market rates in order to provide a further boost in our yields. During 2011, as the local equities market continues to stabilize, we will move to increase our investment holdings in above-average undervalued equities in order to reap the benefits of share price gains.

#### NET ASSET VALUE PERFORMANCE



#### FUND COMPOSITION



Performance	QTR.4	Y-T-D	12-MTH	Inception
Fund	+1.97%	+4.73%	+4.73%	+4.31%
Benchmark	-1.14%	-4.21%	-4.21%	-8.59%
+/- Benchmark	+3.11%	+8.94%	+8.94%	+12.90%

<b>Investment Mgr.:</b>	<b>Family Guardian Insurance</b>
<b>Analysis Period:</b>	Sep. 30, 2010 – Dec. 31, 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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