



FG FINANCIAL GROWTH FUND

QUARTERLY REPORT FOR THE PERIOD ENDED DECEMBER 31, 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.

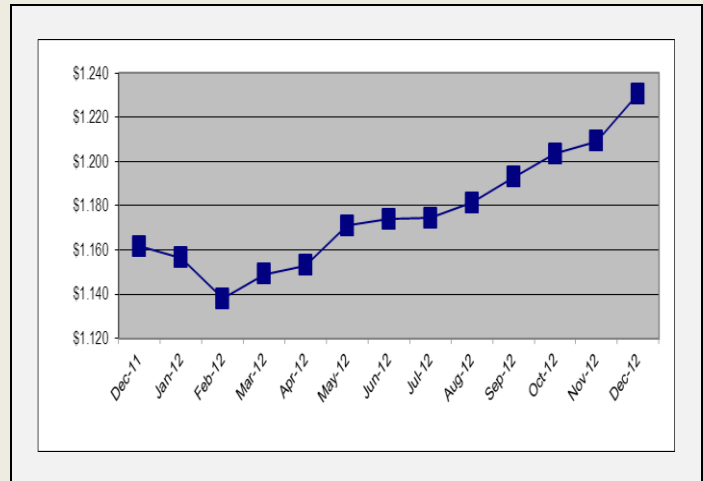
FOURTH QUARTER REVIEW

During the fourth quarter, the Fund’s net asset value (NAV) increased by 3.17% to stand at \$1.2306, outperforming its benchmark (BISX All-Share Index) by 24 basis points. Year-to-date, the Fund’s NAV appreciated by 5.93% in comparison to the decline of -1.37% of its benchmark. Over the previous three years, the Fund yielded 5.07%, 974 basis points above the benchmark’s return of -4.67%. Since inception, the Fund has outperformed the benchmark by 1,147 basis points.

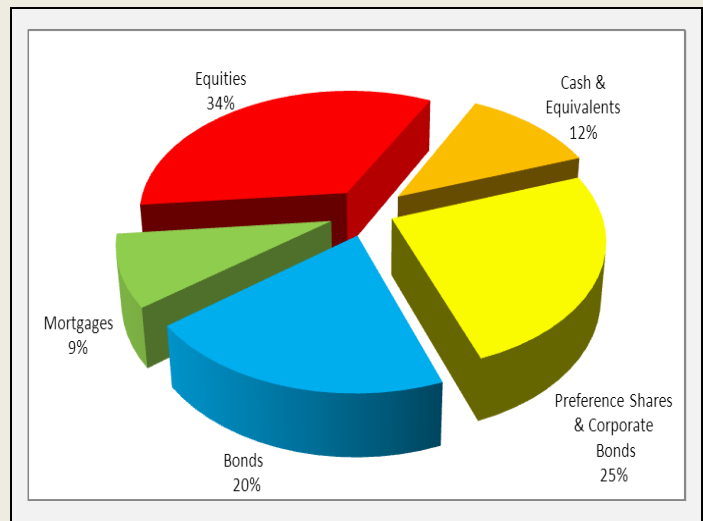
During the quarter we reallocated surplus cash into equities, preferred shares and mortgages. The local equity markets showed signs of recovery and during 2012 our equities portfolio yielded net returns of 9.64%, providing a boost in our performance yields. In addition to seeking capital appreciation through equities, we have also looked to boost yield through reinvestment of lower yielding term deposits into higher yielding securities such as mortgages and preference shares at attractive market rates. We anticipate that these investments will aid in boosting our income levels to further enhance our performance yields.

At year-end, our portfolio weighting in short-term deposits is approximately 7% of total invested assets. During 2013, we will continue to seek opportunities to reinvest surplus cash in higher yielding equity and mortgage instruments.

Net Asset Value Performance



Fund Composition



Equity Position Highlights

STOCK HOLDINGS	DIVIDEND YIELD	QTR.4 RETURN	YTD RETURN
AML	2.45%	+21.64%	+29.85%
CAB	4.24%	+12.78%	+35.34%
FIN	1.74%	+12.35%	+32.87%

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

This document is prepared by FG Financial Limited, which is licensed by the Securities Commission of The Bahamas as a Fund Administrator. FG Financial Limited is the parent company of FG Financial Fund Limited SAC and a subsidiary of FamGuard Corporation Limited. This quarterly review is for informational purposes only. Please note that past performance and rates of return are not indicative of future records.

PERFORMANCE	QTR-4	YTD	1 YR	3 YRS	INCEPTION (PER ANNUM)
Fund	+3.17%	+5.93%	+5.93%	+5.07%	+4.85%
Benchmark	+2.92%	-1.37%	-1.37%	-4.67%	-6.62%
+/- Benchmark	+0.24%	+7.30%	+7.30%	+9.74%	+11.47%