



# FG FINANCIAL GROWTH FUND

## Quarterly Report December 31, 2009

### 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 accept 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.

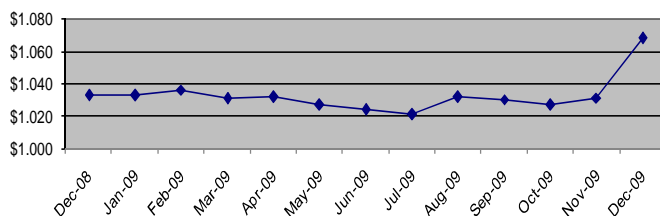
### FOURTH QUARTER 2009 REVIEW

The Growth Fund ended the fourth quarter with a net asset value (NAV) per share of \$1.0680, a return of 3.64% for the quarter, underperforming its benchmark, the BISX All Share Index, which reported returns of 4.23% over the same period. Year-to-date, the Fund outperformed its benchmark, yielding 3.39% compared to benchmark returns of -8.58%. From inception, the Fund yielded approximately 3.89%.

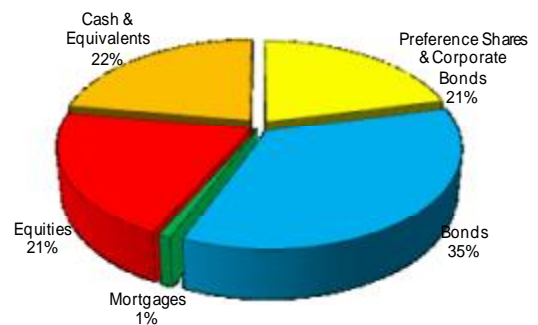
Equity markets began to rebound through share price appreciation during the quarter due to increasing investor confidence. As a result, our equities portfolio increased by approximately \$74 thousand due to net unrealized gains during the quarter. Year-to-date net returns of -5.05%, and were further softened by dividend income of approximately \$83 thousand. During the quarter, we channeled our available funds to increase our mortgage holdings by \$30 thousand to provide a further boost in our yields. Net assets available to shareholders remained relatively static as cash from subscriptions have been utilized to fund redemption requests.

During 2010, we will move to invest available funds in equities that are undervalued in the market relative to their long-term potential in order to position the Fund to reap the benefits of share price gains in the upturn of the equities market. We also intend to increase our mortgage portfolio, which will provide a further boost in our yields by way of steady interest income into the Fund.

**Net Asset Value Performance**



**Fund Composition**



Performance Analysis	QTR 4	Y-T-D	12-MTH	Inception
Fund	+3.64%	+3.39%	+3.39%	+3.89%
Benchmark	+4.23%	-8.58%	-8.58%	-11.58%
+/- Benchmark	-0.60%	+11.97%	+11.97%	+15.47%

<b>Investment Manager:</b>	<b>Family Guardian Insurance Co. Ltd.</b>
<b>Analysis Period:</b>	October 1, 2009 to December 31, 2009
<b>Benchmark:</b>	BISX All Share Index

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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 results.