



# FG FINANCIAL GROWTH FUND

## Quarterly Report March 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.

### INVESTMENT RISK AND RETURN

Equities are riskier investments, but historical evidence reveals that equity markets provide higher rates of return over the long-term. Our expected long-term rate of return on this portfolio is 8% - 12% per annum.

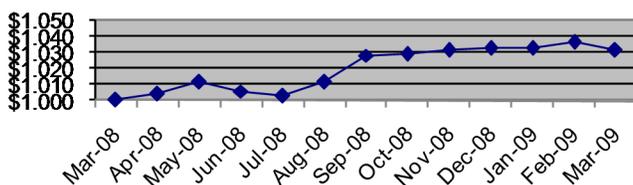
### FIRST QUARTER 2009 REVIEW

The Growth Fund ended the first quarter with a net asset value per share of \$1.0313, a negative return of -0.16% for the quarter. The Fund outperformed its benchmark, the BISX All Share Index, which also reported negative returns of -4.30% for the quarter. For its first full year of operation, the Fund achieved a positive return of 3.13%, substantially outperforming its benchmark, which reported negative returns of -16.53%. The Fund's annualized return from inception (April 1st, 2008) was 3.13%.

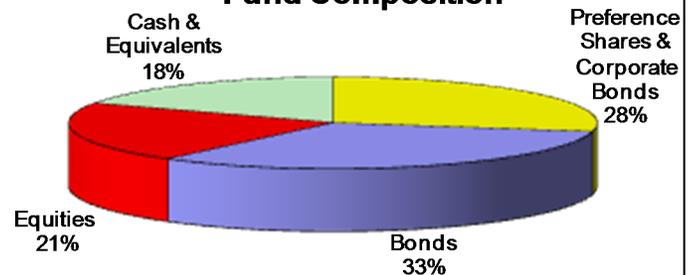
Invested assets increased marginally by \$2 thousand during the quarter, due to net subscriptions over redemptions of \$37 thousand and \$13 thousand in term deposit interest, offset by a \$48 thousand decrease in our equities value. Year-to-date, our equities yielded returns of -5.33%, with FamGuard being our top performer for the first quarter with a yield of 0.26%. Our lowest equity performer was Cable Bahamas, with a yield of -10.05%.

We continue to maintain a lower allocation of equities, due to the continued contraction in the local capital markets. As market conditions improve, we will move to increase our equities allocation, while reducing our bond allocation during 2009.

**Net Asset Value Performance**



**Fund Composition**



Performance Analysis	QTR 1	Y-T-D	1-Year	Inception
Fund	-0.16%	-0.16%	+3.13%	+3.13%
Benchmark	-4.30%	-4.30%	-16.53%	-16.53%
+/- Benchmark	+4.13%	+4.13%	+19.66%	+19.66%

Investment Manager:	Family Guardian Insurance Co. Ltd.
Analysis Period:	March 31, 2008 to March 31, 2009
Benchmark:	BISX All Share Index

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This quarterly review is for informational purposes only. Please note that past performance and rates of return are not indicative of future results.