



# FG FINANCIAL GROWTH FUND

## Quarterly Report December 31, 2008

### 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

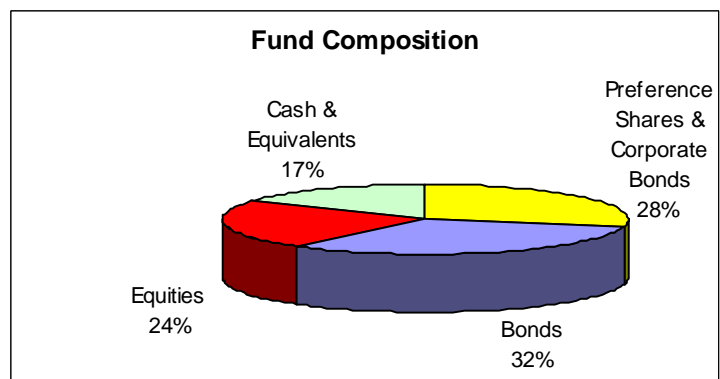
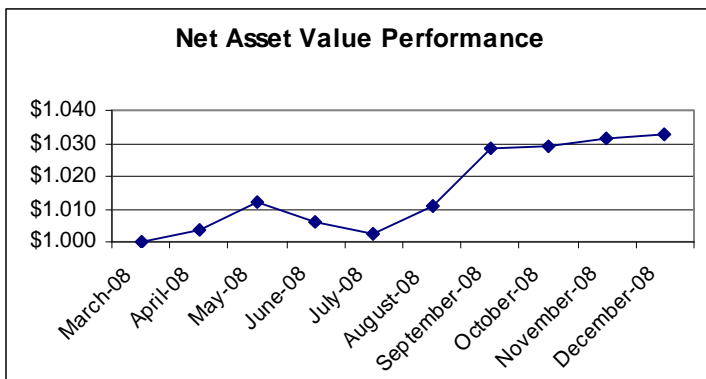
Equities are riskier investments, but historical evidence reveals that equity markets provide higher rates of return over the long-term. Our expected long-term rate of return on this portfolio is 8% - 12% per annum.

### FOURTH QUARTER 2008 REVIEW

The Growth Fund ended the fourth quarter with a net asset value of \$1.0330, a positive return of 0.47% for the quarter. The Fund outperformed its benchmark, the BISX All Share Index, which reported negative returns of -6.77% for the quarter. Overall, for the past nine months, the Fund achieved a positive return of 3.29%, substantially outperforming its benchmark, which reported returns of -13.23%. The Fund's annualized return from inception (April 1st, 2008) was 4.40%.

Invested assets declined by approximately \$45K during the quarter, due to a \$32K decrease in our equities value, along with net redemptions over subscriptions of \$13K. Year-to-date, our equities yielded 1.55%, with Cable Bahamas being our top performer over the past nine months with a yield of 4.26%. Our lowest equity performer was Commonwealth Bank, which provided a yield of 0.55%.

In the interim, 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 over the first half of 2009.



Performance Analysis	QTR 4	6-MTH	Y-T-D	1-Year
Fund	0.47%	2.82%	N/A	N/A
Benchmark	-6.77%	-6.46%	-17.15%	-17.15%
+/- Benchmark	+7.23%	+9.28%	N/A	N/A

<b>Investment Manager:</b>	<b>Family Guardian Insurance Co. Ltd.</b>
<b>Analysis Period:</b>	March 31, 2008 to December 31, 2008
<b>Benchmark:</b>	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.