



FG FINANCIAL DIVERSIFIED FUND

Quarterly report for the period ended June 30, 2017

Investment Objective

FG Financial Diversified Fund (the "Fund") is a balanced fund whose objective is to provide an above-average yield with the opportunity for long-term capital growth. The Fund caters to investors with a moderate risk profile and is well positioned to allow investors to reap the benefits of rises in the equity market while not suffering the full impact of losses during equity market downturns.

Investment Strategy

The Fund seeks to provide both growth and income by investing in a combination of term deposits, mortgages, mutual funds, equities (listed and non-listed) and fixed income securities. The Fund may also invest in publicly traded or privately issued preference shares.

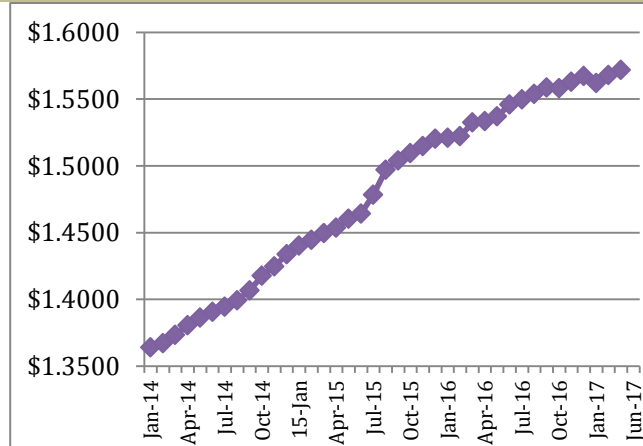
2nd Quarter Review

The Fund ended the 2nd quarter of 2017 with a net asset value (NAV) per share of \$1.5800—an increase of 2.2% over the previous year. While the fund's annual return fell short of its one year benchmark (prime rate plus 0.25%) by 1.5%, since inception the Fund has closely matched the benchmark's 5.2% per annum.

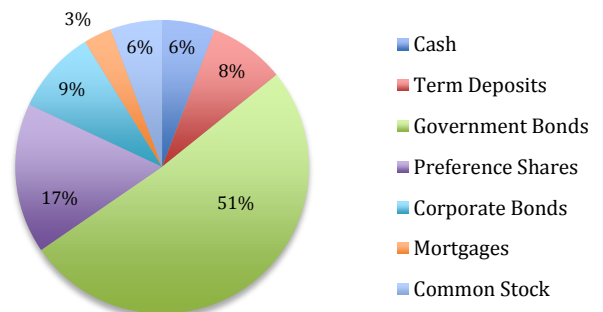
During the quarter, the Fund's performance was slowed by share price declines in Cable Bahamas, FINCO, and Commonwealth Brewery. The Fund will continue to seek opportunities to actively place excess cash and to reallocate its lower yielding short-term deposits into higher yielding instruments, such as high quality mortgages, bonds, preference shares, and equities.

The top five preference and common share holdings include 1) Cable Bahamas Series 13 preference shares (4.0%); 2) Cable Bahamas Series 9 preference (3.0% of portfolio); 3) Cable Bahamas Series 6 preference (2.2% of portfolio); 4) Abaco Markets Class C preference (2.0%); and 5) Cable Bahamas common shares (1.6% of portfolio).

Net Asset Value Performance



Fund Composition



Investment Manager

Family Guardian Insurance Company Limited

Analysis Period:

Apr 1, 2017 – Jun 30, 2017

Benchmark:

Prime Rate + 25 Basis Points

PERFORMANCE	QTR-2	YTD	1 YR	3 YRS (PER ANNUM)	SINCE INCEPTION (PER ANNUM)
FUND	+0.5%	+0.8%	+2.2%	+4.4%	+5.1%
BENCHMARK	+1.1%	+2.3%	+4.8%	+4.9%	+5.2%
+/- BENCHMARK	-0.6%	-1.5%	-2.6%	-0.5%	-0.1%

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.

