



FG FINANCIAL DIVERSIFIED FUND

QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2011

INVESTMENT OBJECTIVE

FG Financial Diversified Fund is a balanced Fund whose objective is to provide above-average income and opportunities for long-term growth of capital and income. The Fund caters to investors with a moderate risk profile, and is well positioned to allow investors to reap the benefits of an upturn in the equities market while not suffering the full impact of losses during economic downturns.

INVESTMENT STRATEGY

FG Financial Diversified Fund seeks to provide a combination of growth, income and conservation of capital 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.

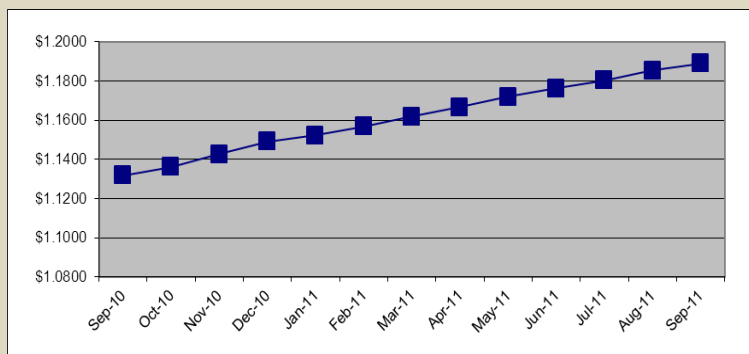
THIRD QUARTER 2011 REVIEW

FG Financial Diversified Fund closed out the third quarter yielding 1.07%, ending with a net asset value (NAV) per share of \$1.1890, underperforming its benchmark (prime rate plus 25 basis points) by 18 basis points, which returned 1.25%. Year-to-date, the Fund yielded 3.47%, underperforming benchmark returns of 4.07% by 60 basis points. Over the past 12-month period, the Fund returned 5.04%, 47 basis points below benchmark returns of 5.51%. The Fund's average annualized yield since inception approximates 5.40%, 28 basis points below benchmark annualized returns of 5.68% over the same period.

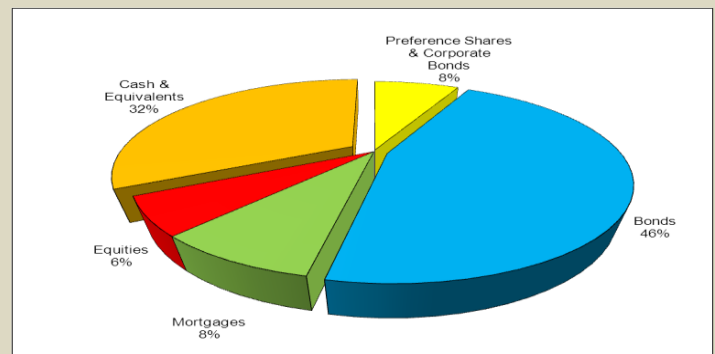
Year-to-date, the Fund has experienced substantial growth in net assets of approximately \$647,000 fueled by net subscriptions of \$440,000 and net investment income of \$207,000. Year-to-date, the Fund's combined investment in fixed income and equity securities generated income of approximately \$243,000, which softened the effects of net capital losses on our equities portfolio, which yielded net returns of -1.78%. During the quarter, we channeled our available funds into investments of approximately \$218,000 in mortgages at competitive market rates coupled with \$209,000 in term deposits.

Gradual domestic recovery is projected to be sustained due to ongoing large scale foreign investment projects providing further growth in construction sector activity. Tourism output continues to reflect modest gains amid the challenges facing the global economy. Unemployment conditions remain elevated and domestic inflation is expected to increase with the volatility in global oil prices.

NET ASSET VALUE PERFORMANCE



FUND COMPOSITION



PERFORMANCE	QTR.3	Y-T-D	12 MTHS	INCEPTION
Fund	+1.07 %	+3.47 %	+5.04 %	+5.40 %
Benchmark	+1.25 %	+4.07 %	+5.51 %	+5.68 %
+/- Benchmark	-0.18 %	-0.60 %	-0.47 %	-0.28 %

INVESTMENT MANAGER:	FAMILY GUARDIAN INSURANCE
Analysis Period:	June 30, 2011 – September 30, 2011
Benchmark:	PRIME RATE + 25 BASIS POINTS

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