



FG FINANCIAL PENSIONS & INVESTMENTS

FG FINANCIAL GLOBAL USD BOND FUND

Quarterly report for the period ended June 30, 2017

Investment Objective

FG Financial Global USD Bond Fund (the "Fund") is a fixed income Fund that aims to provide the highest possible level of return while maintaining liquidity and preserving capital.

Investment Strategy

The Fund invests in investment grade USD-denominated fixed rate bonds issued by countries and supra national agencies. Its emphasis is on principal protection and income generation. The Fund's portfolio generates a steady flow of interest income which is reinvested. The portfolio carries only investment grade credit risk and aims to reduce interest rate risk by holding a bond portfolio with medium term duration.

2nd Quarter Review

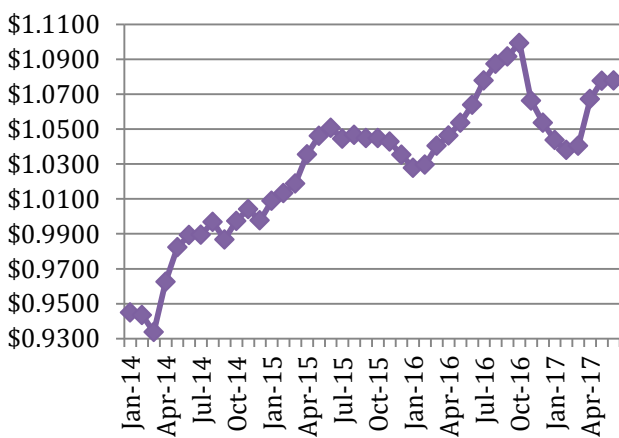
The Fund ended the second quarter of 2017 with a net asset value (NAV) per share of \$1.0777, yielding 3.6% over the quarter and a 1.3% return over the past year. The performance exceeded the Q2 and annual benchmark yields by +2.4% and +0.5% respectively.

The Fund's performance has been negatively impacted by the rise in U.S. Treasury rates and concerns over the credit quality of Bahamas Government debt.

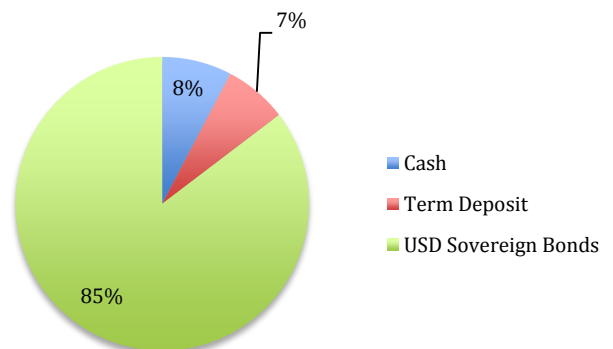
The Fund's portfolio is invested 85% in USD sovereign bonds issued by the Government of The Bahamas and 15% in cash from recent subscriptions. To date, the Fund has not invested in any bonds issued by supra national agencies such as the World Bank and the Inter-American Development Bank.

Going forward, the Fund will continue to seek opportunities to invest new subscriptions and interest income in investment grade sovereign and supranational agency bonds.

Net Asset Value Performance



Fund Composition



Investment Manager

Family Guardian Insurance Company Limited

Analysis Period:

Apr 1, 2017 – Jun 30, 2017

Benchmark:

US Treasury 10 Year return plus the Sovereign A-rated spread of 0.6%
(Sources: www.treasury.gov & www.stern.nyu.edu/~adamodar/)

PERFORMANCE	QTR-2	YTD	1 YR	3 YRS (PER ANNUM)	SINCE INCEPTION (PER ANNUM)
FUND	+3.6%	+2.3%	+1.3%	+2.9%	+2.1%
BENCHMARK	+1.2%	+1.8%	+2.5%	+3.0%	+3.1%
+/- BENCHMARK	+2.4%	+0.5%	-1.2%	-0.1%	-1.0%

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