



FG FINANCIAL GROWTH FUND

QUARTERLY REPORT FOR THE PERIOD ENDED JUNE 30, 2011

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 withstand 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.

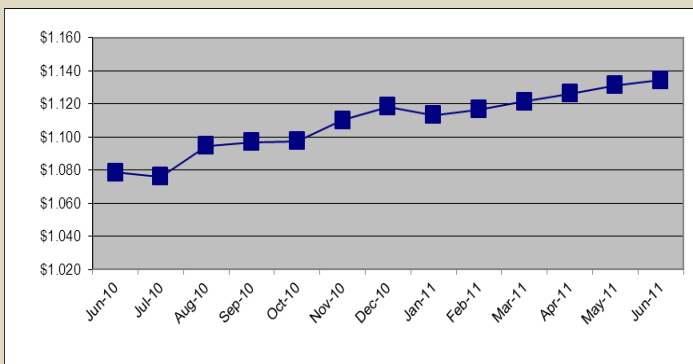
SECOND QUARTER 2011 REVIEW

The Growth Fund closed the second quarter with a net asset value (NAV) per share of \$1.1343, a return of 1.15%, beating out its benchmark, the BISX All Share Index by 541 basis points, which reported returns of -4.26% over the same period. The Fund's year-to-date yield of 1.41% outperformed benchmark returns of -5.93% by 734 basis points. From inception, the Fund's average annualized yield approximates 4.13%, 1,280 basis points above the BISX All Share Index, which reflected average annualized returns of -8.66% over the same period.

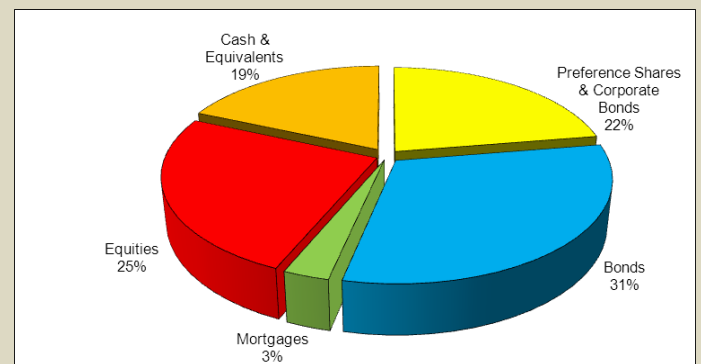
Investor pessimism around the timing of full economic recovery coupled with liquidity needs resulted in further contraction through share price depreciation of several publicly traded companies on the local stock exchange. As a result, year-to-date our equities portfolio experienced a decrease of approximately \$35 thousand from net capital losses, but was softened by dividend income of \$16 thousand, yielding net year-to-date returns of -2.65%. Over the period, net assets available to unit-holders have remained constant as net investment income and cash from subscriptions have been offset by fund redemption requests of an equivalent amount.

During the quarter, we sold a portion of our government bonds to acquire Commonwealth Brewery common shares. During the second half of 2011, our goal is to continue to aggressively increase our equities and mortgage portfolios with above average undervalued equities along with A-1 rated mortgages.

NET ASSET VALUE PERFORMANCE



FUND COMPOSITION



PERFORMANCE	QTR.2		QTR.1		Y-T-D		INCEPTION	
Fund	+1.15	%	+0.26	%	+1.41	%	+4.13	%
Benchmark	-4.26	%	-1.74	%	-5.93	%	-8.66	%
+/- Benchmark	+5.41	%	+2.00	%	+7.34	%	+12.80	%

INVESTMENT MANAGER:	FAMILY GUARDIAN INSURANCE
Analysis Period:	March 31, 2011 – June 30, 2011
Benchmark:	BISX ALL SHARE INDEX

for life, for health, for wealth

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