



**FG FINANCIAL GROWTH FUND**

QUARTERLY REPORT FOR THE PERIOD ENDED DECEMBER 31, 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 term horizons and capital growth objectives who can withstand the volatility of the equities market.

**INVESTMENT STRATEGY**

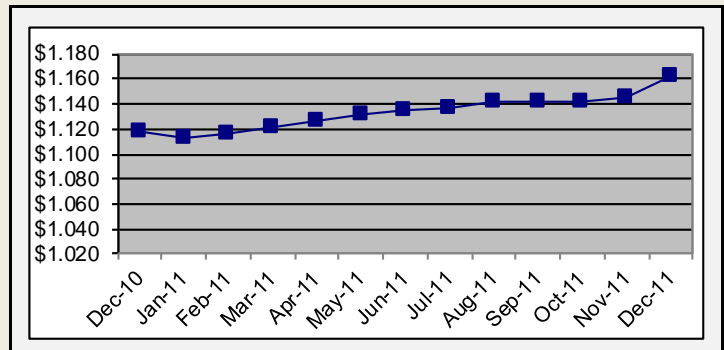
FG Financial Growth Fund invests in a diversified selection of Bahamian equities (listed and non-listed), mortgages, and fixed income securities. The Growth Fund focuses primarily on liquid stocks in the Bahamian market with above average long-term growth potential or stocks, which are considered undervalued in the market relative to their long-term potential.

**FOURTH QUARTER REVIEW**

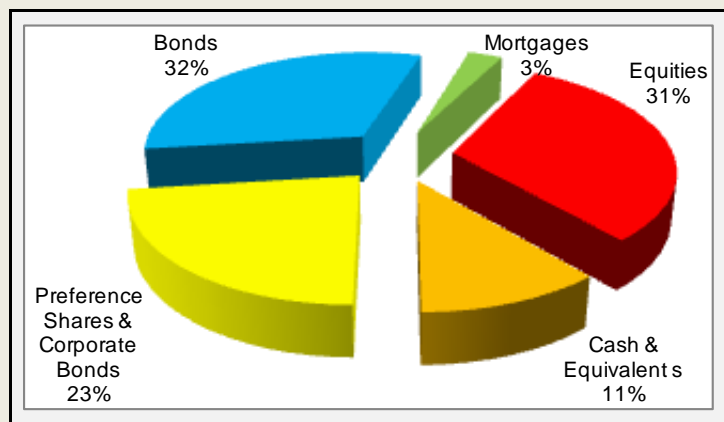
The Growth Fund closed out the fourth quarter with a net asset value (NAV) per share of \$1.1617, yielding 1.77% to investors and beating out its benchmark, the BISX All Share Index by 258 basis points, which reported returns of -0.81% over the same period. Year-to-date, the Fund returned 3.86%, again outperforming benchmark returns of -8.97% by 1,283 basis points. From inception, the Fund's average annualized yield approximates 4.31%, 1,244 basis points above the BISX All Share Index, which reflected average annualized returns of -8.13% over the same period.

Investor uncertainty around the timing of full economic recovery, liquidity needs and new market entrants seeking to acquire shares at discounted prices continue to place downward pressure on the share prices of several of the publicly traded companies on the local stock exchange. During the quarter, we capitalized on the opportunity to acquire undervalued equities relative to their long-term growth potential in order to position the Fund to reap the benefits as the market begins to rebound. During the quarter, our equities portfolio provided sizeable net capital gains, reducing our year-to-date net capital losses to \$27 thousand. We generated \$33 thousand of dividend income during the year which helped to provide overall net returns from equity portfolio of 0.78%.

**Net Asset Value Performance**



**Fund Composition**



**Top Five Equity Positions**

STOCK HOLDINGS	DIVIDEND YIELD	QTR 4 RETURN	YTD RETURN
CBL	4.57%	+6.17%	+4.29%
CBB	2.94%	+2.94%	+5.04%
FAM	4.42%	+1.10%	-6.59%
CAB	3.82%	-1.38%	-17.85%
FIN	0.00%	-2.56%	-2.56%

INVESTMENT MANAGER	FAMILY GUARDIAN INSURANCE
Analysis Period:	Sept. 30, 2011 — Dec. 31, 2011
Benchmark:	BISX ALL SHARE INDEX

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 records.

PERFORMANCE	QTR-4	YTD	12-MONTHS	INCEPTION (Annualized)
Fund	+1.77%	+3.86%	+3.86%	+4.31%
Benchmark	-0.81%	-8.97%	-8.97%	-8.13%
+/- Benchmark	+2.58%	+12.83%	+12.83%	+12.44%

**Call today!**

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