



# FG FINANCIAL GROWTH FUND

## Quarterly Report September 30, 2008

### 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 accept the volatility of the equity markets.

### 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.

### INVESTMENT RISK AND RETURN

Equities are riskier investments, but historical evidence reveals that equity markets provide higher rates of return over the long-term. Our expected long-term rate of return on this portfolio is 8% - 12% per annum.

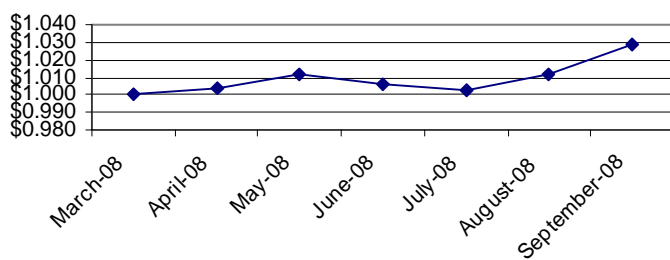
### THIRD QUARTER 2008 REVIEW

The Growth Fund ended the third quarter with a net asset value of \$1.0282 compared to the ending second quarter net asset value of \$1.0062. During the quarter, the Fund achieved a positive return of 2.19% outperforming its benchmark, the BISX All Share Index, which reported returns of 0.75% over the same period. Overall, for the past six months, the Fund achieved a positive return of 2.82%, substantially outperforming its benchmark, which reported returns of -6.46%.

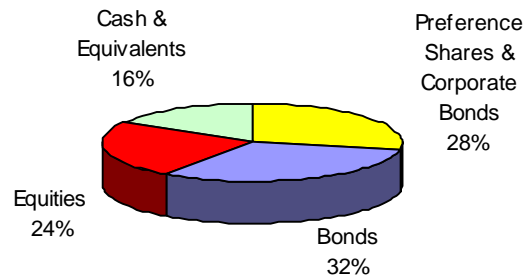
The Fund's asset allocation saw moderate movements over the quarter. Our overall equity allocation increased from 23% to 24% during the quarter, due predominantly to capital appreciation of Commonwealth Bank Limited shares in the amount of 7.58%.

Preference shares decreased from 34% to 28% due mainly to a partial redemption of our Caribbean Crossing shareholding. Bonds decreased marginally from 33% to 32%. Our cash and equivalents increased from 10% to 16% as a result of our investment of funds received from the Caribbean Crossing redemption and the further investment of excess cash held in the Fund.

**Net Asset Value Performance**



**Fund Composition**



Performance Analysis	QTR 3	6-MTH	Y-T-D	1-Year
Fund	2.19%	2.82%	N/A	N/A
Benchmark	0.75%	-6.46%	-11.14%	-3.82%
+/- Benchmark	1.44%	-3.64%	N/A	N/A

<b>Investment Manager:</b>	<b>Family Guardian Insurance Co. Ltd.</b>
<b>Analysis Period:</b>	March 31, 2008 to September 30, 2008
<b>Benchmark:</b>	BISX All Share Index

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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.