

FUND OBJECTIVE

FBGF endeavors to provide investors with an opportunity to earn income and long-term capital appreciation by investing in a large pool of funds representing equity / non equity investments in a broad range of sectors and financial instruments.

PERFORMANCE

FBGF, by the grace of Almighty Allah, has performed well as compared to the market as well as its peers. FBGF started the month at NAV per unit of 106.17 where as the months closing NAV per unit stood at 104.37, indicating a decline of 1.7%. During the same period the KSE 100 index declined by 6.25% whereas the open-ended equity funds suffered a loss of over 3% on an average.

Considering the recent volatility in the equity markets, the fund maintained its cautious investment approach. The asset allocation of the fund remained similar to last month with a slight increase in the exposure within the banking sector and a slight decrease in the exposure within the cement sector.

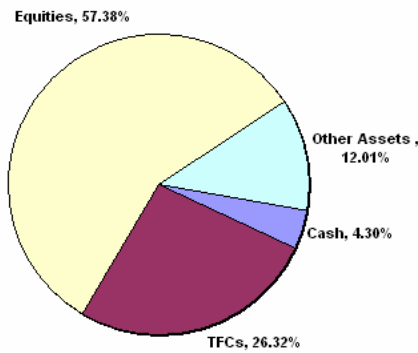
As per our forecast in the previous month's report, the government successfully completed the issuance of GDR of OGDC at PKR 115, which makes approximately USD 1.89. The Government of Pakistan off-loaded approximately 430 million shares equal to 10% of the total outstanding shares, amounting to USD 813 mn. The discounted pricing of this GDR issue and a subsequent offering to local investors at a deeper discount kept OGDC and the equity markets under selling pressure.

The equity markets also remained under pressure during the month due to presentation of forensic report regarding the March 2005 stock market crisis. The forensic report implicated 88 brokers ending an uncertain situation hovering over the equity markets. The SECP sent notices to these brokers demanding further information, which gave room to uncertainty in the market. The SECP announced the enhancement in the Continuous Funding System (CFS) to PKR 55 bn. The numbers of scrips allowed in the CFS were increased to 71.

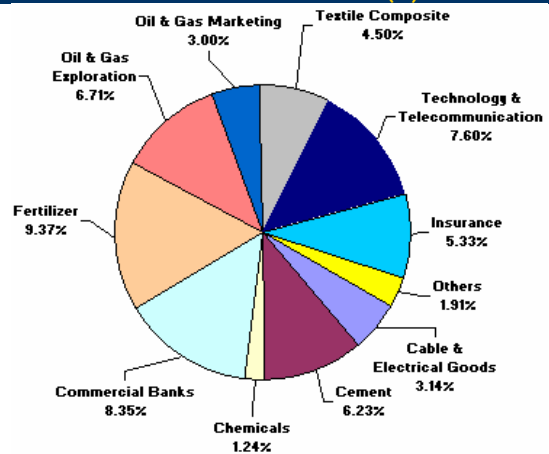
Moody's International upgraded the rating of Bonds issued by GOP from B2 to B1. Standard & Poor's issued a BB rating for the GOP bonds during this month, depicting increased investor confidence in Pakistan's economy. The recent visits of Tony Blair and Hu Jintao further added to the positive outlook of Pakistan's economy.

We expect the market to remain volatile due to the upcoming VAR based risk management system and issuance of OGDC shares to local investors. We remain our stance of being cautious in the upcoming months while analyzing the upcoming results season.

ASSET ALLOCATION (%)



SECTOR ALLOCATION (%)



RETURNS

Month on Month	(1.7 %)
Year To Date (YTD)	4.10 %
Since Inception	44.94 %

PORTFOLIO CHARACTERISTICS

P/E	4.44 x
Dividend Yield	2.8 %

FUND INFORMATION

Fund Type	Open Ended	Registrar	Gangjees Registrar (Pvt.) Ltd.
Fund Launch Date	14 April 2004	Trustees	Central Depository Company (CDC) of Pakistan Ltd.
		Auditors	A.F Ferguson a member firm of PWC

MANAGED BY



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Risk Disclosure:

All investments in mutual funds and securities are subject to market risks. Therefore, the NAV based prices of units cannot be guaranteed. Prices of units and any dividends and returns thereon may go up or down based on market conditions & past performance of the fund is not necessarily indicative of future results. Please consult your legal/financial advisor & read clause 2.6 and 2.7 of the offering document available at our web site for understanding the investment policies & risks.

