

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 maintained its excellent track record by beating its performance benchmark of KSE-100. In February, KSE-100 index starting from 11,273.33 registered a decline of 91 points (down 0.81%) and closed at 11,180. FBGF started its month with a NAV of Rs.109.39 and registering an increase of 1.47% in its value closed the month at Rs.111.00 per unit. On an average basis, also the fund remained ahead of the market since open-end equity funds posted return of 0.17% when compared with FBGF return of 1.47%. As a result FBGF outperformed its peer group by a clear margin of 1.3%. Asset allocation during the month was more focused to ensure optimum returns. Anticipating the market volatility, equities portion of allocation was reduced by 17% and stood at 53.62% by the month end. Overall exposure in Insurance, Cement and Banking sector was reduced and stake in Oil & Gas marketing sector was increased anticipating privatization led growth.

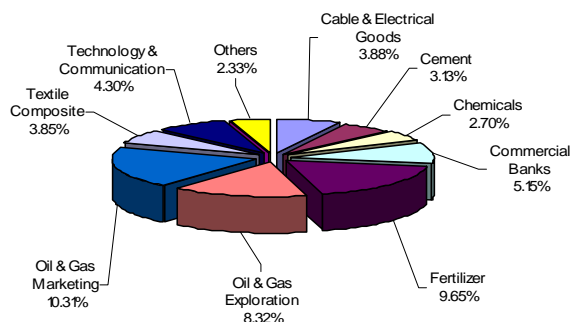
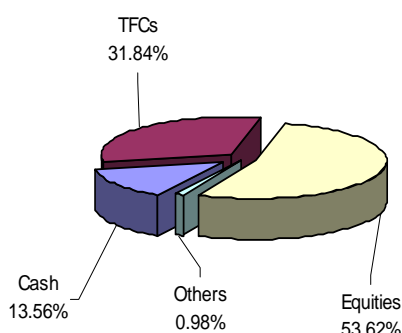
This month the KSE-100 index closed on 11,180 level in comparison to the last month's closing of 11,272, showing a decline of 0.81% MoM. Average trading value registered an increase to USD 569 Mio, up 68% in comparison to the last month's average trading value of USD 337 Mio.

February was a crucial month for the market with major result announcements of many blue chip companies. The stock market rallied during the first half of the month on the expectations of better corporate results and increased foreign investment as indicated by the balances in the Special Convertible Rupee Account (SCRA), which surged to \$ 557 Mio by the month end. However, once the results started coming out selling pressure picked up as many corporations announced soft earnings, which were below market expectations. Fears regarding Client Level Netting (CLN) and its impact on brokerage margins also kept the investors on the sidelines. The bearish trend picked up further momentum during the last two days of the month as markets across the globe came under heavy selling pressure after the State Council, China's highest ruling body, approved a special task force to clamp down on illegal share offerings and other banned activities in the market. The expectations of a slow down in the US economy also created a worldwide panic with international funds decreasing their equity exposure in the global markets.

With the stock market still highly leveraged and stocks fairly valued on Price/Earnings we continue to follow a cautious and balanced approach to achieve maximum profits.

ASSET ALLOCATION (%)

SECTOR ALLOCATION (%)



RETURNS

Month on Month	1.47 %
Year To Date (YTD)	10.71%
Since Inception	54.15%

PORTFOLIO CHARACTERISTICS

P/E	7.29 x
Dividend Yield	5.30 %

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.
Rating	3 Star by JCR-VIS	Auditors	A.F Ferguson a member firm of PWC
Performance Bench Mark	KSE-100 INDEX		

MANAGED BY



FAYSAL ASSET MANAGEMENT LIMITED
COLLECTIVE WISDOM

Islamabad:
(051) 227 5096-9
Lahore:
(042) 575 5190-4

Peshawar:
(091) 527 0176-8
Quetta:
(081) 283 6451-3

(021) 111 329 725 (111 FAYSAL)
Customer Service: (021) 279 5377 - 279 5564
customerservices@faysalfunds.com
www.faysalfunds.com

Hyderabad:
(022) 272 8356
Gujranwala:
(0553) 730 301- 4

Faisalabad:
(041) 2644 481-5
Sialkot:
(052) 429 2501-5

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.