

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 its peers. FBGF started the month at Net Asset Value per unit of PKR 103.11 whereas the month's closing Net Asset Value per unit stood at Rs. 106.17, marking an appreciation of approximately 3%. The average open-ended equity fund posted a gain of 4.36% for the same period.

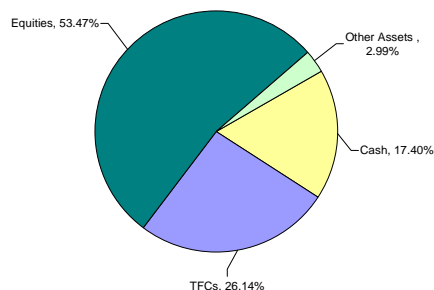
Due to an overbought scenario in the equity markets and expected change in CFS financing policy, we decreased our equity exposure from 59.19% to 53.47%. The fund decreased its exposure in commercial banking and oil & gas exploration sector while it added nominal position in insurance and cement sectors. The foreign portfolio investment for the month of October indicated a positive inflow of approx USD 215.394 million whereas the total inflow in FY 07 to October 06 stands at approx USD 312.563 million.

We are of the view that market will consolidate in coming weeks as the quarterly results season has ended. Companies in the insurance, banking, fertilizers and oil & gas exploration sector have posted record quarterly results whereas companies in the oil & gas marketing and cement sector showed below expected results. Inventory losses due to decline in international crude oil prices and reduced sales price per bag of cement were the major reason of decline in the earnings respectively.

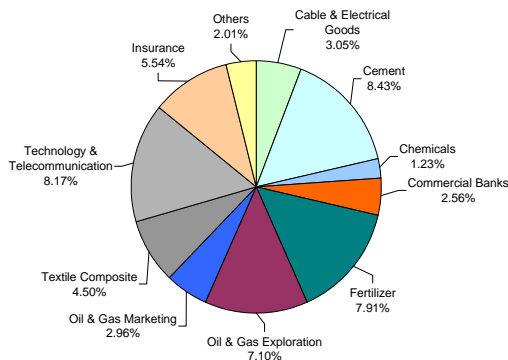
As per SECP regulation, in-house badla is to be phased out in first week of November and CFS financing limit is to be increased gradually up to Rs 55 billion starting from 6th November 2006. Short selling in future market will be allowed from November (SECP abandoned short selling in future market in June 2006) and foreign consultants' forensic report regarding last year stock crash is expected to be submitted to national assembly shortly.

In the recent months, we have witnessed an increasing interest from foreign institutions in the overall emerging equity markets. After the successful completion of the GDR of MCB Bank, the government is expected to initiate the road show for the GDR listing of OGDC. The above mentioned facts and the on going M&A activity in the financial sector may result in a positive momentum within the equity markets in the upcoming months.

ASSET ALLOCATION (%)



SECTOR ALLOCATION (%)



RETURNS

Month on Month ~ 3 %
Since Inception 47.44 %

PORTFOLIO CHARACTERISTICS

P/E 4.19 %
Dividend Yield 2.4 %

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.