

**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.

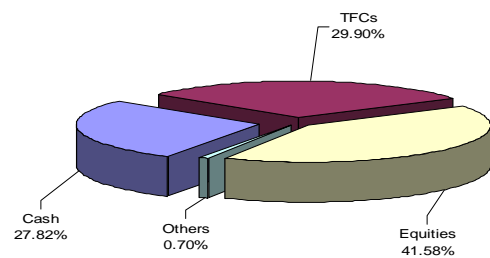
**PERFORMANCE**

FBGF closed the month at its highest NAV for the year at Rs. 117.82 which translates into a year to date return of 17.51%. On an annualized basis the investors yielded an average annualized return of approximately 20.40% resulting from a good balanced portfolio approach since inception amid the stock market crash of March 2005 and May-June 2006. This shows the management's dedication in maximizing the investor's return with minimum risk involved. Assets wise exposure in equities was slightly increased whereas sector wise allocation remained similar to last month's with slight exposure in Open-ended mutual funds.

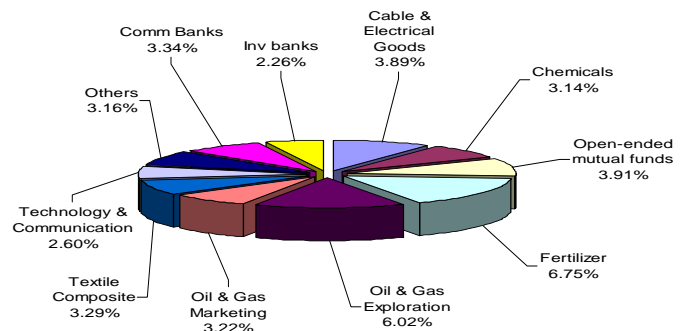
The KSE-100 closed the month at its peak of 12,961 points, up 4.8% for the month; the highest ever close in its history. Market remained upbeat throughout the month on the back of rising foreign investment and improving business environment. Balances in the Special Convertible Rupee Accounts (SCRA), which indicate foreign portfolio investment, continued to soar and increased to USD 755mn for the period July'06-May'07. The banking sector played an instrumental role in sustaining the bullish sentiments. The banking sector prices on average increased by 9% outperforming the KSE-100 index which grew at a relatively lower rate of 4.8% during the month. The bullish sentiments were further aided with the announcement of NIB Bank to purchase 70% shares of PICIC. The euphoric sentiments continued as the market shrugged off the current political unrest and 12<sup>th</sup> May riots on the back of expectations of an investor friendly budget. Investors remained active with average daily trading volumes of 285mn shares and a daily turnover of USD 440mn.

With the CFS capped at PKR 55 Bio and little room for further upside in valuations we believe that despite the continuing fervor there is more room for correction rather than an upsurge hence we continue to follow a cautious approach with balanced asset allocation.

**ASSET ALLOCATION (%)**



**SECTOR ALLOCATION (%)**



**RETURNS**

Month on Month	1.36 %
Year To Date (YTD)	17.51%
Since Inception	63.62%

**PORTFOLIO CHARACTERISTICS**

P/E	6.43 x
Dividend Yield	2.43 %
Annualized Return	20.40%

**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 Benchmark	KSE-100 INDEX		

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.