

**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.

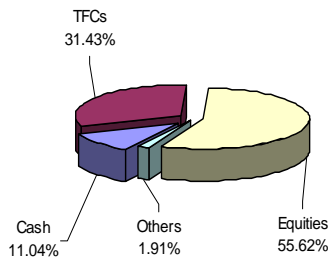
**PERFORMANCE**

FBGF by the grace of Almighty Allah continued to show good performance and maintained its excellent track record. FBGF closed the month with a NAV of Rs. 110.73 up 10.03% for the quarter ending March and maintained its position as the best performing balanced fund in Pakistan. For the month of march, market remained lack luster with the index facing stiff resistance around 11,400 level and gaining strength around 11,000 level. Market remained range bound and traded in a narrow band with low volumes. Asset allocation of the fund by in large remained similar to that of previous month. There, however were some minor adjustments through reduction in Oil and Gas Marketing sector and increase in Banking sector.

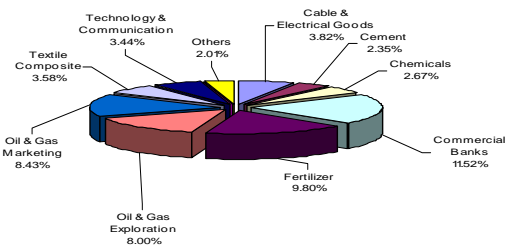
The KSE-100 index started the month at 11,180.02 level and closed the month at 11,271.59 level showing an increase of 0.82% on a MoM basis. Trading activity remained extremely thin with ready market volumes averaging around 158 mn shares for the month. Investors chose to remain on the sidelines due to the prevailing uncertainties regarding the political front and the on going judiciary issues. Balances in the Special Convertible Rupee accounts (SCRA), which indicates foreign portfolio investments, continued to increase to a record US\$ 615 Mio level on March 28 2007. Although foreign investments continued to soar, local institutions preferred to remain inactive. Even the increase in international crude oil prices to USD\$67/bbl due to global supply worries caused by a row between Britain and Iran, failed to stir activity in the local oil stocks. PSO remained in the lime light due to various reports regarding its privatization. Initially there was news that Attock Group would be taking some legal action against Privatization Commission (PC) for being not included in the bidders list thereby delaying the privatization however, later it turned out that Attock Group has taken a stay order from the court granting it permission to take part in bidding for a management stake in the country's top oil marketing company.

SBP projections indicate that FY'07 real GDP is likely to grow in the range of 6.6%-7.2%, close to the annual target of 7.0% and above the desired 6.0% long-term growth for the economy The State Bank of Pakistan continues to maintain a tight monetary stance due to inflationary concerns. Keeping all these factors in perspective we remain cautiously bullish on the equity market returns in the upcoming months.

**ASSET ALLOCATION (%)**



**SECTOR ALLOCATION (%)**



**RETURNS**

Month on Month	-0.24 %
Year To Date (YTD)	10.44%
Since Inception	53.77%

**PORTFOLIO CHARACTERISTICS**

P/E	7.14 x
Dividend Yield	4.25 %
Annulized Yield	18.16%

**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



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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.