

FBR Core Bond Fund

June 30, 2010



INVESTMENT OBJECTIVE

The Fund seeks current income with capital growth as a secondary objective. To pursue its investment objectives, the Fund, under normal circumstances, invests at least 80% of its net assets in fixed income securities.

PORTFOLIO MANAGEMENT

FINANCIAL COUNSELORS, INC.



Gary Cloud, CFA

- » Senior Vice President & Portfolio Manager
- » Over 23 years of investment experience



Peter G. Greig, CFA

- » Senior Vice President & Portfolio Manager
- » Over 20 years of investment experience

INVESTMENT STRATEGY

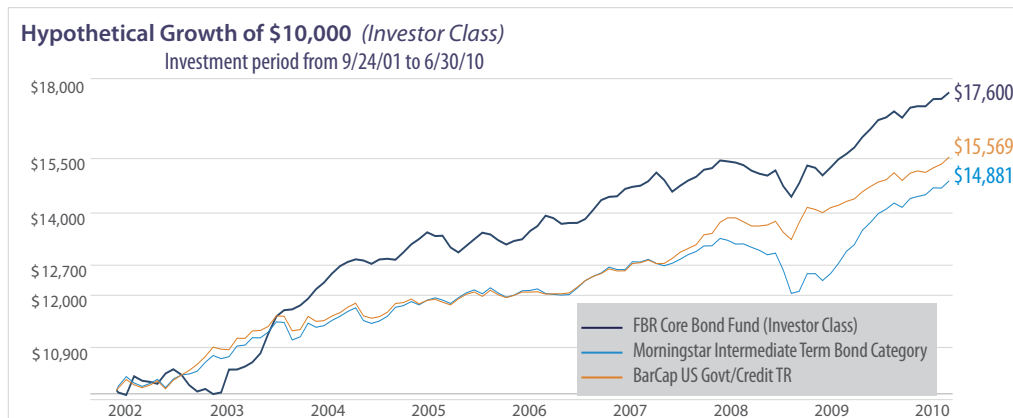
The Fund invests primarily in domestic investment grade corporate, agency and governmental bonds. It employs a core fixed income philosophy which focuses on higher quality, intermediate term fixed income securities that can produce attractive return with a focus on downside protection.

FUND PERFORMANCE as of 6/30/10

Morningstar Category: Intermediate Term Bond	Average Annualized Total Return					
	Q2 2010	1 Year	3 Year	5 Year	10 Year	Since Inception
FBR Core Bond Fund						
Investor Class (inception: 9/24/01) ¹	2.67%	11.04%	5.70%	5.73%	7.17%*	6.83% ¹
Institutional Class (inception: 6/03/97) ²	2.73%	11.25%	5.96%	5.98%	7.43%	6.01% ²
BarCap US Govt/Credit TR	2.97%	8.29%	6.97%	5.26%	6.06%	5.18%
Category Rank (Investor Class)		66%	68%	21%	7%	NA
# of funds in Intermediate Term Bond Category		1149	1011	880	515	NA
Annual Total Expense Ratio (Net Gross): ³	1.30% 1.97% (Investor Class)		1.05% 1.72% (Institutional Class)			

*The average annualized total return for the Investor Class is based on the adjusted historical performance of the Institutional Class.

³FBR Fund Advisers, Inc. (the "Adviser") has agreed in writing to waive a portion of its investment advisory fees and assume certain expenses to the extent total annual fund operating expenses exceed 1.05% of the Fund's average daily net assets (excluding 12b-1 fees, interest, taxes, brokerage commissions, acquired fund fees and expenses, extraordinary legal expenses, or any other extraordinary expenses) of the Fund. The Adviser has agreed to maintain these expense limitations with regard to the Fund through February 28, 2013.



PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. The performance data quoted represents past performance and the current performance may be lower or higher than the performance data quoted. The investment return and principal will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. The performance data does not reflect the deduction of taxes that a shareholder would pay on fund distributions or redemption fees. If reflected, the redemption fee would reduce the performance quoted. To obtain performance data current to the most recent quarter-end please call 888.200.4710 or visit www.fbrfunds.com.

FUND FACTS

Ticker Symbol / CUSIP

Investor Class AFHAX / 30246J638

Institutional Class AFHYX / 30246J620

Inception

Investor Class 9/24/01

Institutional Class 6/03/97

Total Fund Assets \$28.5M

Number of Holdings 85

MORNINGSTAR® RATING as of 6/30/10

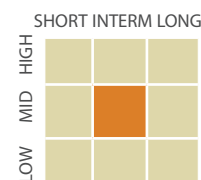
OVERALL MORNINGSTAR® RATING



(Investor Class)

Among 1011 Intermediate Term Bond Funds The Overall Morningstar Rating is based on risk adjusted returns, derived from a weighted average of the 3, 5, and 10 year (if applicable) Morningstar metrics.

FIXED INCOME STYLE



FOR MORE INFORMATION

Advisor Sales Desk

888.200.4710

www.fbrfunds.com

Shareholder Services

888.888.0025

888.200.4710 | www.fbrfunds.com

QUALITY DISTRIBUTION

	Fund	Index
U.S. Treasury	19.8%	51.6%
Agency	12.5%	12.2%
Aaa/AAA	3.3%	3.3%
Aa/AA	8.7%	6.0%
A	25.3%	14.3%
Baa/BBB	28.8%	12.6%
Below Baa/BBB	1.5%	0.0%
Other	0.2%*	0.0%

*Preferred Stock/ETF holdings

SECTOR COMPOSITION

	Fund	Index
Corporate Bonds	65.7%	29.3%
Industrials	31.1%	15.7%
Financials	33.4%	10.1%
Utilities	1.2%	3.5%
U.S. Treasuries	19.8%	51.6%
Agencies/Gov't	0.4%	13.3%
Pass-Through Securities	12.1%	0.0%
Asset-Backed Securities	2.1%	0.0%

RISK METRICS (Investor Class)

cat: Intermediate Term Bond	3 Year	5 Year
Morningstar Risk	Avg	Avg
Morningstar Return	-Avg	+Avg
Standard Deviation		
FBR Core Bond Fund	4.78	4.26
cat: Intermediate-Term Bond Funds Avg.	5.13	4.31
MPT Statistics (relative to BarCap US Govt/Credit TR)		
Beta	1.09	0.85
Alpha	3.13	4.74

Source: Morningstar Direct

PORTFOLIO CHARACTERISTICS

Effective Duration (Years)	4.79
Maturity (Years)	6.77

EFFECTIVE MATURITY

	Fund	Index
0.0-0.9 Years	3.8%	1.9%
1.0-2.9 Years	34.6%	30.9%
3.0-4.9 Years	21.2%	20.9%
5.0-9.9 Years	28.7%	29.5%
10.0-19.9 Years	2.0%	5.7%
20+ Years	9.7%	11.1%

EFFECTIVE DURATION

	Fund	Index
0.0-0.9 Years	13.2%	2.0%
1.0-2.9 Years	31.7%	33.3%
3.0-3.9 Years	8.9%	10.7%
4.0-5.9 Years	15.8%	19.0%
6.0-7.9 Years	17.8%	16.3%
8.0+ Years	12.6%	18.7%

Important Disclosures

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. This and other important information can be found in the Fund's prospectus. To obtain a free prospectus, please call 888.200.4710 or visit www.fbrfunds.com. Please read the prospectus carefully before investing.

The Advisor Class shares of the AFBA 5Star Total Return Bond Fund were reorganized into the Investor Class shares of the FBR Core Bond Fund on March 12, 2010. Performance figures shown prior to March 12, 2010 represent performance of the Adviser Class shares of the AFBA 5Star Total Return Bond Fund.

Indices are unmanaged and have no management fees or operating costs that reduce reported returns. The volatility and other risk characteristics for the Fund will differ from the volatility and risk characteristics of the indices.

Morningstar Intermediate Term Bond Category consists of those portfolios that focus on corporate, government, foreign or other issues with an average duration of greater than or equal to 3.5 years but less than or equal to six years, or an average effective maturity of more than four years but less than 10 years.

BarCap US Govt/Credit TR measures performance of U.S. dollar denominated U.S. Treasuries, government-related, and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to 1 year. In addition, the securities have \$250 million or more of the outstanding face value, and must be fixed rate and non-convertible.

Morningstar Proprietary Ratings reflect risk-adjusted performance as of 6/30/10. For each fund with at least a three year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in distribution percentage. The Investor Class of the Fund received a 3-star rating for the 3-year period among 1011 intermediate-term bond funds, a 4-star rating for the 5-year period among 880 intermediate-term bond funds, and a 5-star rating for the 10-year period among 515 intermediate-term bond funds. The 10-year rating for the Investor Class is based on the adjusted historical performance of Class I. ©Morningstar, Inc. All Rights Reserved.

Morningstar Risk scores for a given time period (three, five, or 10 years) reflect the Fund's Morningstar risk score plotted on a bell curve: Monthly calculations are based on whether the Fund scores in the top 10% of its category, its risk score is considered High; if it falls in the next 22.5% Above Average; a place in the middle 35% is Average; those lower still, in the next 22.5%, are Below Average and the bottom Low. Overall Morningstar risk score is a weighted average of the available three, five, and 10 year Morningstar risk scores. Investments with less than three years of performance history are not rated.

Morningstar Return scores for a given time period (three, five, or 10 years) reflect the Fund's Morningstar return score plotted on a bell curve: Monthly calculations are based on whether the Fund scores in the top 10% of its category, its return score is considered High; if it falls in the next 22.5% Above Average; a place in the middle 35% is Average; those lower still, in the next 22.5%, are Below Average and the bottom Low. Overall Morningstar return score is a weighted average of the available three, five, and 10 year Morningstar return scores. Investments with less than three years of performance history are not rated.

P/E Ratio is the market price per share divided by earnings per share.

Price/Book Ratio is the market price per share divided by book value.

Standard Deviation shows the degree of variation in the Fund's returns and can serve as a useful measure of the Fund's risk. It is measured using monthly observations, but expresses the result on an annualized basis.

Beta is a statistical measure of the Fund's volatility relative to the broader peer group is measured against the S&P 500 Index, which is deemed to equal 1.00. A beta higher than 1.00 means the Fund has experienced greater sensitivity to swings in the market, while a beta of less than 1.00 means the Fund has experienced less sensitivity.

Alpha is a measure of performance on a risk-adjusted basis. Alpha compares the volatility (price risk) of the Fund to risk-adjusted performance of the S&P 500 Index. The excess return of the Fund relative to the return of the index is the Fund's alpha.

Market Capture Ratios is a statistical measure of the Fund's overall performance in up-markets (positive return periods) and down-markets (negative return periods). The market capture ratios are used to evaluate how well an investment performed relative to an index during periods when that index has risen or fallen. The ratio is calculated by dividing the Fund's returns by the returns of the index during the up-market or the down-market, and multiplying that factor by 100.