

FBR Mid Cap Fund*

September 30, 2011



INVESTMENT OBJECTIVE

The Fund seeks long-term capital appreciation by investing primarily in the equity securities of domestic companies with capitalizations between \$2 and \$15 billion at the time of purchase.

PORTFOLIO MANAGEMENT



Ryan Kelley, CFA

- » Co-Portfolio Manager of the FBR Large Cap Fund
- » Over 14 years of investment and equity research experience
- » Joined FBR in 1996
- » B.A. from Oberlin College

INVESTMENT STRATEGY

The Fund is managed to outperform the Russell Midcap® Index with less volatility over a full market cycle. This result is achieved through a proprietary screening process followed by independent bottom-up fundamental analysis. The investment process aims to identify companies that exhibit the following characteristics:

- » Industry leaders with a defensible market position
- » Below average debt and high levels of free cash flow
- » Sustainable, consistent and visible revenue production
- » Management skill and integrity
- » Reasonable market valuations

The net result is a diversified portfolio that emphasizes high-quality, conservatively financed companies purchased at reasonable valuations.

FUND PERFORMANCE as of 9/30/11

Morningstar Category: Mid Cap Blend	Average Annualized Total Return			
	Q3 2011	1 Year	3 Year	Since Inception ¹
FBR Mid Cap Fund				
Investor Class	-16.44%	-1.05%	4.34%	2.55%
Institutional Class ²	-16.37%	-0.87%	4.49%	-0.95%
Russell Midcap® Index	-18.90%	-0.88%	3.96%	-1.65%
Category Rank (Investor Class)		24%	17%	NA
# of funds in Mid Cap Blend Category		410	369	NA
Annual Total Expense Ratio (Net Gross): 1.37% 2.55% (Investor Class) 1.11% 2.04% (Institutional Class)				

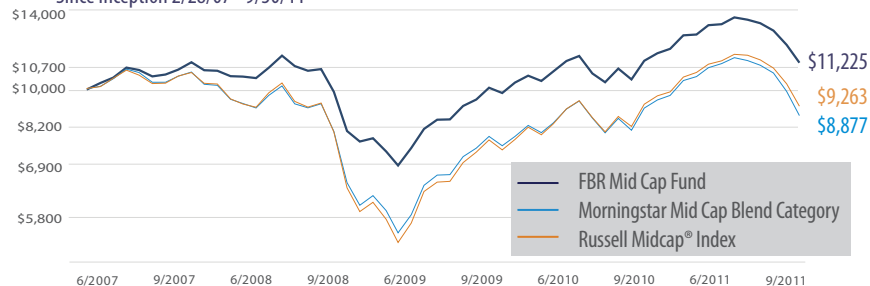
¹ For the period February 28, 2007 (commencement of operations) through September 30, 2011.

² Represents the performance of the Institutional Class shares after May 30, 2008 (inception of the share class) and Investor Class for periods prior to that date.

FBR Fund Advisers, Inc. has agreed in writing to waive a portion of its advisory fee and assume certain expenses of the Fund to the extent annual operating expenses exceed 1.35% and 1.10% of the Fund's average daily net assets for the Investor Class and the Institutional Class, respectively. The Adviser has agreed to maintain these expense limitations through 2/28/2014.

Hypothetical Growth of \$10,000 (Investor Class)

Since Inception 2/28/07 - 9/30/11



FUND FACTS

Ticker Symbol / CUSIP	
Investor Class	FBRMX / 30246J869
Institutional Class	FBRPMX / 30246J844
Inception	
Investor Class	2/28/07
Institutional Class	5/30/08
Total Fund Assets	\$17.0M
Number of Holdings	77

MORNINGSTAR® RATING as of 9/30/11

OVERALL MORNINGSTAR® RATING



(Investor Class)

Among 369 Mid Cap Blend 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.

EQUITY STYLE



FOR MORE INFORMATION

Advisor Sales Desk

888.200.4710

www.fbrfunds.com

Shareholder Services

888.888.0025

* Prior to 8/27/10, the Fund's name was FBR Pegasus Mid Cap Fund.

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. The Fund charges a redemption fee of 1.00% on shares redeemed or exchanged within 90 days; if reflected, the redemption fee would reduce the performance quoted. To obtain performance data current to the most recent month-end please call 888.200.4710.

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TOP 10 HOLDINGS

	% Assets
Hansen Natural Corp.	3.6%
Check Point Software Technologies	2.6
Tiffany & Co.	2.3
Activision Blizzard, Inc.	2.3
Copart, Inc.	2.2
Mattel, Inc.	2.0
T. Rowe Price Group, Inc.	1.9
Roper Industries, Inc.	1.9
Big Lots, Inc.	1.9
Kansas City Southern	1.8
Total	22.5%

SECTOR ALLOCATION

	% Assets
Consumer, Cyclical	20.0%
Consumer, Non-cyclical	17.8
Financials	14.1
Industrials	11.3
Technology	10.1
Energy	7.5
Utilities	3.8
Basic Materials	3.1
Communications	2.9
Cash Equivalents	9.3
Total	100.0%

RISK METRICS (Investor Class)

cat: Mid Cap Blend	3 Year
Morningstar Risk	Low
Morningstar Return	+Avg
Standard Deviation	
FBR Mid Cap Fund	19.34
cat: Mid Cap Blend Funds Avg.	25.00
MPT Statistics (relative to Russell Midcap® Index)	
Beta	0.73
Alpha	0.75

Source: Morningstar Direct

PORTFOLIO CHARACTERISTICS

Portfolio TTM Turnover**	44%
Wtd. Avg. Market Cap	\$6.5B
Wtd. Avg. P/E	18.6x
Wtd. Avg. P/B	2.6x

**unaudited as of 9/30/11

CAPTURE RATIOS RELATIVE TO RUSSELL MIDCAP® INDEX (Investor Class)

	Source: Morningstar Direct
3 Year	
UP MARKET	77.0%
DOWN MARKET	74.6%
Since Inception (2/28/07 - 9/30/11)	
UP MARKET	85.7%
DOWN MARKET	83.4%

Important Disclosures

* Prior to 8/27/10, the Fund's name was FBR Pegasus Mid Cap Fund.

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.

Investing in mid-cap companies can involve greater risk than investing in larger, more established companies.

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 Mid Cap Blend Category consists of those portfolios that invest in U.S. stocks of various sizes and styles, giving them a middle-of-the-road profile. Most shy away from high-priced growth stocks, but aren't so price-conscious that they land in value territory. The U.S. mid-cap range for market capitalization typically falls between \$1 billion-\$8 billion and represents 20% of the total capitalization of the U.S. equity market. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

Russell Midcap® Index measures the performance of the 800 smallest securities in the Russell 1000® Index, representing approximately 31% of the total market capitalization of the Russell 1000.

Morningstar Proprietary Ratings reflect risk-adjusted performance as of 9/30/11. 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 Fund received 5 stars for the three year period ended 9/30/11 among 369 Mid Cap Blend funds. ©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 Russell Midcap® 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 Russell Midcap® 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.