

FBR Technology Fund

September 30, 2011



INVESTMENT OBJECTIVE

The Fund seeks long-term capital appreciation by investing primarily in the equity securities of domestic and foreign technology companies.

PORTFOLIO MANAGEMENT



Winsor "Skip" Aylesworth

- » Over 24 years of investment industry experience
- » Joined The FBR Funds in 1998



David Ellison, CIO of The FBR Funds

- » Over 27 years of investment industry experience
- » Joined The FBR Funds from Fidelity in 1996

INVESTMENT STRATEGY

The Fund's investment process consistently employs a series of proprietary financial screens designed to identify technology companies that exhibit certain characteristics including:

- » Market leading business models with competitive advantages
- » Efficient capital structures with below average debt levels
- » Potential for long-term revenue and earnings growth
- » Solid prospects for sustainable profitability

The net result is a diversified portfolio of high-quality companies that participate in the growth and innovation of the technology sector, purchased at reasonable valuations.

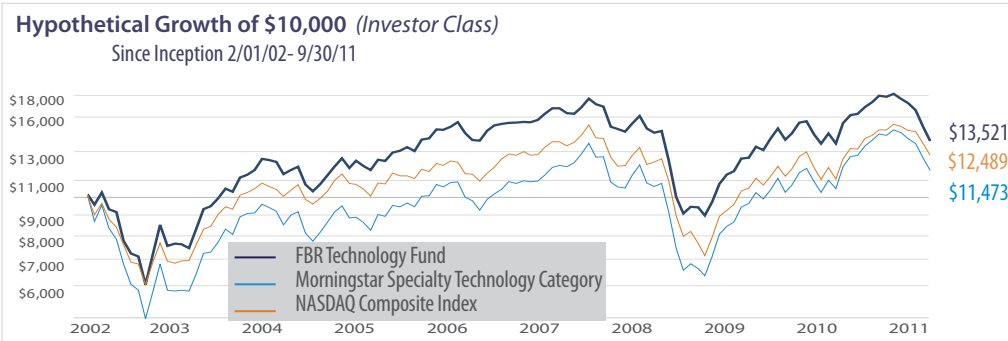
FUND PERFORMANCE as of 9/30/11

Morningstar Category: Specialty Technology	Average Annualized Total Return				
	Q3 2011	1 Year	3 Year	5 Year	Since Inception ¹
FBR Technology Fund					
Investor Class	-19.05%	-9.51%	3.73%	-1.73%	3.17%
Institutional Class ²	-19.00%	-9.31%	3.84%	-1.66%	3.20%
NASDAQ Composite Index	-12.91%	1.97%	4.91%	1.35%	2.33%
Category Rank		93%	88%	92%	NA
# of funds in Specialty Technology Category		209	177	169	NA
Annual Total Expense Ratio (Net Gross):	1.97% 2.52% (Investor Class)		1.72% 2.36% (Institutional Class)		

¹ For the period February 1, 2002 (commencement of operations) through September 30, 2011.

² Represents the performance of the Institutional Class shares after March 12, 2010 (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 1.95% and 1.70% 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.



FUND FACTS

Ticker Symbol / CUSIP	
Investor Class	FBRTX / 30246J406
Institutional Class	FBQX / 30246J661
Inception	
Investor Class	2/01/02
Institutional Class	3/12/10
Total Fund Assets	\$6.1M
Number of Holdings	74

MORNINGSTAR® RATING as of 9/30/11

OVERALL MORNINGSTAR® RATING

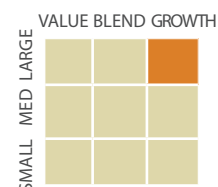


(Investor Class)

Among 177 Specialty Technology 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

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
Cisco Systems, Inc.	4.3%
Microsoft Corp.	4.3
Cognizant Tech Solutions	4.2
Intel Corp.	4.2
Apple, Inc.	4.2
Corning, Inc.	4.1
Johnson Controls, Inc.	4.0
ASML Holdings	3.3
Celgene Corp.	3.0
Applied Materials, Inc.	3.0
Total	38.6%

SECTOR ALLOCATION

	% Assets
Semiconductors	29.3%
Computers	15.9
Software	12.9
Telecommunications	11.2
Internet	8.8
Biotechnology	5.6
Auto Parts & Equip	4.0
Healthcare-Products	2.9
Electronics	1.5
Electrical Components & Equip	0.8
Commercial Services	0.8
Misc. Manufacturing	0.6
Cash	5.7
Total	100.0%

RISK METRICS (Investor Class)

cat: Specialty Technology	3 Year	5 Year
Morningstar Risk	Low	Low
Morningstar Return	-Avg	Low
Standard Deviation		
FBR Technology Fund	22.05	19.93
cat: Specialty Technology Funds Avg.	24.02	22.46
MPT Statistics (relative to NASDAQ Composite Index)		
Beta	0.91	0.90
Alpha	-0.74	-3.09

Source: Morningstar Direct

CAPTURE RATIOS RELATIVE TO NASDAQ COMPOSITE (Investor Class)

	Source: Morningstar Direct
3 Year	
UP MARKET	90.5%
DOWN MARKET	93.2%
5 Year	
UP MARKET	80.6%
DOWN MARKET	91.1%
Since Inception (2/01/02 - 9/30/11)	
UP MARKET	92.5%
DOWN MARKET	91.9%

PORTFOLIO CHARACTERISTICS

Portfolio TTM Turnover*	153%
Wtd. Avg. Market Cap	\$45.4B
Wtd. Avg. P/E	26.1x
Wtd. Avg. P/B	5.2x

*unaudited as of 9/30/11

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.

Investments are focused in the technology industry, which may be adversely affected by rapidly changing technology, availability of capital, R&D, government regulation and the relatively high risks of obsolescence caused by scientific and technological advances.

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 Specialty Technology Category consists of those portfolios that buy high-tech businesses in the U.S. or outside of the U.S. Most concentrate on computer, semiconductor, software, networking, and Internet stocks. A few also buy medical-device and biotechnology stocks and some concentrate on a single technology industry.

NASDAQ Composite Index is a broad-based capitalization-weighted index of all the NASDAQ National Market and Small Cap stocks.

S&P 500 Index is a capitalization-weighted index of 500 stocks. The Index is designed to represent the broad domestic economy through changes in aggregate market value of 500 stocks representing all major industries.

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 2 stars for the three and five year periods ended 9/30/11 among 177 and 169 Specialty Technology funds, respectively. ©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 NASDAQ Composite 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 NASDAQ Composite 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.