



December 31, 2007

The following provides you with the **final** per share year-end ordinary income distributions for 2007 for The FBR Funds. Account owners as of the record dates shown below will receive the applicable distribution. The ex-date is the date when the NAV is adjusted by the amount of the distribution. The payable date is the date when the distribution is credited to your account.

Declaration Date:	December 28, 2007
Record Date:	December 28, 2007
Ex Date/Payable Date:	December 31, 2007

<u>Fund</u>	<u>Cusip</u>	<u>Ticker</u>	<u>Type</u>	<u>Amount Per Share</u>
FBR Large Cap Financial Fund	30246J109	FBRFX	Ordinary Income	\$0.184406
FBR Focus Fund	30246J307	FBRVX	Ordinary Income	\$0.120178
FBR Small Cap Financial Fund	30246J208	FBR SX	Ordinary Income	\$0.282040
FBR Gas Utility Index Fund	30246J604	GASFX	Ordinary Income	\$0.113189

The FBR Pegasus Fund <sup>TM</sup>, FBR Pegasus Mid Cap Fund <sup>TM</sup>, FBR Pegasus Small Cap Fund <sup>TM</sup>, FBR Large Cap Technology Fund and FBR Small Cap Technology Fund, do not have any income distributions for the calendar year 2007. FBR Fund for Government Investors declares and distributes ordinary income on a daily basis and pays monthly.

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. To obtain performance data current to the most recent month-end please call 888.200.4710 or visit [www.fbrfunds.com](http://www.fbrfunds.com).

**Investors are asked to consider the investment objectives, risks, charges and expenses carefully before investing. For more complete information about The FBR Funds, including fees and expenses, and a copy of a FREE prospectus please call 1.888.888.0025 or visit us at [www.fbrfunds.com](http://www.fbrfunds.com). Please read the prospectus carefully before you invest or send money.**

The FBR Funds are distributed by FBR Investment Services, Inc., member FINRA/SIPC.

FBR Mutual Funds  
 1001 Nineteenth Street North  
 Arlington, Virginia 22209  
 888.200.4710  
[www.fbrfunds.com](http://www.fbrfunds.com)



December 14, 2007

The following provides you with the **final** per share year-end capital gains distributions for 2007 for The FBR Funds. Account owners as of the record dates shown below will receive the applicable distribution. The ex-date is the date when the NAV is adjusted by the amount of the distribution. The payable date is the date when the distribution is credited to your account.

Declaration Date:	December 13, 2007
Record Date:	December 13, 2007
Ex Date/Payable Date:	December 14, 2007
Time Period:	November 1, 2006 –October 31, 2007

Fund	Cusip	Ticker	Amount Per Share	
			ST Gains	LT Gains
FBR Pegasus Fund <sup>TM</sup>	30246J877	FBRPX	\$1.304188	\$0.000253
FBR Pegasus Mid Cap Fund <sup>TM</sup>	30246J869	FBRMX	\$0.132774	None
FBR Pegasus Small Cap Fund <sup>TM</sup>	30246J851	FBRYX	\$0.043977	None
FBR Large Cap Financial Fund	30246J109	FBRFX	None	\$3.683686
FBR Large Cap Technology Fund	30246J406	FBRTX	\$0.867487	\$0.360928
FBR Focus Fund	30246J307	FBRVX	\$0.021470	\$0.489138
FBR Small Cap Financial Fund	30246J208	FBRSX	None	\$6.235751
FBR Small Cap Technology Fund	30246J505	FBRCX	\$0.419678	\$0.046230
FBR Gas Utility Index Fund	30246J604	GASFX	\$0.057310	\$1.692401

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