

Fund Information	
Fund Type	Open End Income Func
Inception Date	21st October 2006
Benchmark	1 Month KIBOR
Listing	Karachi Stock Exchange Guarantee Ltd
Trustee	Central Depository Co. of Pakistan Ltd.
Registrar	Trade Technologies Private Limite
Auditor	AF. Ferguson & Company
Fund Rating	In Progress
AMC - Rating	AM 3+ by ICR-VIS
Minimum Investment/ Par Value Per Unit	Rs. 5,000/- Rs.. 50/-
Sale Load (Front End)	1.50% on one time
Management Fee	1.5% upto 3% annualy
Fund Manager	Imran Rahim Khar

The Economy of Pakistan

Pakistan's economy moved largely on the right track under the IMF Standby Arrangement. Economic indicators reflects a gradual stabilization of its economic and financial strength. We witnessed stability as reserves grew from \$10bn in Jan09 to close at near \$15bn by Dec09. Results in rupee-dollar parity also remained stable as Pakistan received \$1.2bn from IMF under stand-by-arrangement facility. The country's overall imports stood at \$ 12.38bn and exports at \$7.7bn registering a trade deficit of \$4.7bn during first five months of current fiscal year. However, the current account deficit posted a decline of 81% on the first five months of current fiscal year due to the higher home remittances and sharp decline in trade deficit. Remittances showed an increase of 29% in November09 in first 5MFY10. The CPI inflation once again moves into double digits, 10.26% during the first 5MFY10 mainly on the back of increase in the prices of food commodities.

MONEY MARKET REVIEW:

During the month, Money market was relatively stable with a better liquidity situation contrary to market expectations of seasonal outflow pressure and liquidity concerns due to year end of banks and DFIs. The SBP is continuously focusing on efficient and proactive liquidity management. SBP effectively intervened and addressed the liquidity situation in the market through OMOs for different tenors.

EQUITY MARKET REVIEW:

KSE-100 index closed at a level of 9,386.92 for the month. The calendar year performance of KSE-100 index was fairly inline with the average performance of comparable regional markets. USD 1.2bn was sanctioned by IMF, increasing foreign reserves of the country and adding to foreign investor confidence. Net Foreign Portfolio Investment during the month was USD 4mn, adding upto the total foreign investment of USD 291 mn for the first half of FY10.

Stance on Monetary Policy Statements (to be announced in January 2010) and commodity prices will be critical for the equity markets. The result season for the period ending December 2009 will shortly drive the market, strong earnings and payout expectations can grab investor's interest.

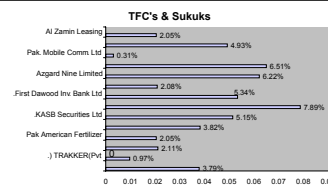
December 31, 2009 -- NAV Pak Rs. 39.6760 per unit.

The fund yielded an annualized return of 13.75% for the month of December 2009. This is due to the management's efforts towards fresh buying of good quality of investments and bond's portfolio. Our Average Asset Quality is at AA. Our fund has bright chance of even higher return in future on account of possible capital gains on bonds portfolio as also from the recovery of 100% provisioned assets. In the coming months, with the expected improvement in liquidity and easing interest rates, we expect upside potential in the TFC prices.

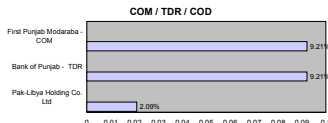
We expect a positive response from the market with regard to liquidity. Fiscal austerity and law and order situation will continue to set the pace of improvement in the economy. Timing and magnitude of inflows should lead SBP monetary decision in the next Monetary Policy Statement due- end- January, 2010. Going forward, growth in the real economy will be determined by fiscal discipline and trends in inflation.

PORTFOLIO DISCRPTION AS ON December 31, 2009

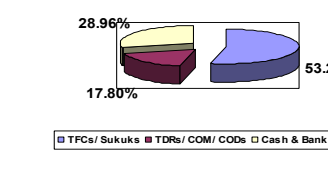
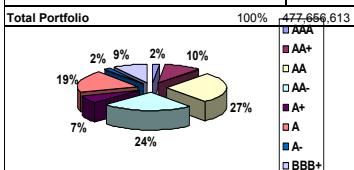
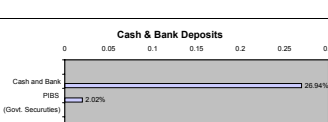
Investment as % of NAV	Rating	%age	Amount
TFC's & Sukuks			
Al Zamin Leasing	A-	2.05%	9,801,020
Worldcall Telecom Ltd	A	4.93%	23,560,997
Pak. Mobile Comm. Ltd	AA-	0.31%	1,502,503
Al-Abbas Sugar Mills Ltd	A+	6.51%	31,114,003
Azgard Nine Limited	AA-	6.22%	29,710,663
Bank-Al-Falah IV	AA-	2.08%	9,950,000
First Dawood Inv. Bank Lt	BBB+	5.34%	25,500,000
Jahangir Siddiqui & Co. L	AA+	7.89%	37,682,033
KASB Securities Ltd.	AA-	5.15%	24,612,213
Kashaf Foundation	A	3.82%	18,268,919
Pak American Fertilizer	AA-	2.05%	9,804,297
Pak-American Fertilizer	AA-	2.11%	10,075,311
TRAKKER(Pvt. LTD	A	0.97%	4,645,000
Kohat Cement Co. Ltd. - t	BBB+	3.79%	18,112,500
Total		53.25%	254,339,459



COM / TDR / COD	%age	Amount
COM / TDR / COD		
First Punjab Modaraba - (A	9.21%	44,000,000
Pak-Libya Holding Co. Ltr AA+	2.09%	10,000,000
The Bank of Punjab	6.49%	31,000,000
Total	17.80%	85,000,000



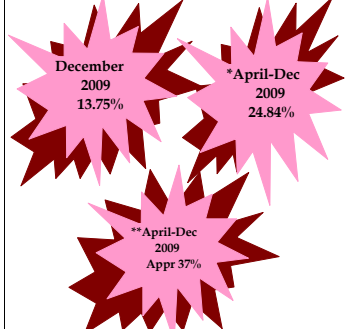
Cash and Bank	Rating	%age	Amount
Cash and Bank	AA	26.94%	128,679,781
PIBS (Govt. Securities)	AAA	2.02%	9,637,373
Total		28.96%	138,317,154



Assets Quality	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	D	N/A	Total
December, 2009	2.02%	9.98%	26.94%	24.41%	6.51%	18.93%	2.05%	9.16%	NIL		NIL	NIL	100.00%

Asset Allocation (% of NAV)	TFC's / Sukuks	COI's	TDR's COM's COD's	G. Sec./ T.Bills	CFS	Spread Tran.	Cash & Bank Tbilis	Others	Total
December, 2009	53.24%	NIL	17.80%	NIL	NIL	NIL	28.96%	NIL	100.00%

Months	May'08	June'08	July'08	Aug'08	Sep'08	Oct'08	Apr'09	May'09	June'09	April '09-Aug'09	Apr-Sep	12 Months
Ranking	3	2	4	3	4	2	1	6	2	1	1	
RIF	10.20%	9.44%	11.10%	12.61%	12.67%	11.10%	212.00%	13.71%	22.24%	51.50%	27.06%	32.80%
Benchmark	12.85%	12.96%	13.79%	14.26%	14.28%	14.24%	13.03%	12.51%	11.69%	13.32%	13.47%	12.20%



* The date of lifting of suspension of Redemption of units of the Fund
 ** From April, 2009 to December, 2009 calculated as per Average Calculation Formula

Fund Investment Objective
 Reliance Income Fund (RIF) is an open-ended fund which seeks to provide its investors, an opportunity to earn a consistent market based income with low risk profile while maintaining the liquidity in the form of Govern TFC/sukuks, TDRS, Certificates of Deposits, Certificate of Musharika etc having the similar profile and preservation of capital as its prime Objective. Government securities, and Daily Product A/c- spread transactions, TFC/sukuks, TDRS, Certificates of Deposits, Certificate of Musharika etc having the similar profile and preservation of capital as its prime Objective.



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Disclaimer: All investments in mutual funds are subject to market risk. The NAV based prices of Units and any dividends/returns thereon are dependent on forces affecting the financial markets. These may go up and down based on market conditions. Past performance is not necessarily indicative of future results. Please read the Offering Document of the fund to understand the investment policies and the risks involved. Assets Allocations are likely to change on a daily basis because of investments and redemptions in the fund and price changes of assets in the portfolio.

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