

BONUS-2011
A bonus of Rs.2.1398 per unit has been approved by the Board for the year ended June 30, 2011. An investor holding 100 units as at 30th June, 2011 will get 6.1438 units on the Ex-Bonus price of Rs.34.8286 per unit, i.e. 6.1438% on the Ex-Bonus Price and 4.2796% on par value of Rs.50 per unit

Fund Information	
Fund Type	Open End Income Fund
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 Limited
Auditor	Munif Ziauddin Junaidi & Company
Fund Rating	under process
AMC - Rating	under process
Minimum Investment	Rs. 5,000/-
Par Value Per Unit	Rs. 50/-
Sale Load (Front End)	1.50% on time
Management Fee	1.5% upto 3% annually
Fund Manager(AFM)	Adeel Ahmed Baig

PAKISTAN ECONOMY
Political turmoil and economic slump both locally and internationally negatively influenced the market. In major urban business activity slowed due to the frequent strikes and shorter working hours while rural areas were affected by heavy monsoon rain. The damage caused by the rain is yet to be known as Government has not released any information on it. However, the expectation of bumper cotton production and wheat are being revised down by the markets. In the midst of such challenges a few economic indicator provided the much needed support. The August review of MSCI resulted in status quo for Pakistan. On the external side, exports in July 2011 stood at \$ 2.2bn while imports stood at \$ 3.7bn posting a trade deficit of \$ 1.5bn. Current account for July marked a deficit of \$75mm driven primarily by significant contribution of remittance and restricted trade deficit.

MONEY MARKET REVIEW
The money market during the month of August 2011 remained mostly on higher levels with discounting reported many times. However, frequent intervention by SBP through OMOs some how stabilized money market where average overnight rates were hovering just below revised discount rate of 13.50%. Moreover, in the T-bill auction SBP given the cut-off yield of 13.06%, 13.27% and 13.37% in 3, 6 and 12 months respectively. Due to recent cut of 50 bps in policy rate and expected series of cuts in policy rate ahead market participants opted for longer investments in T-bills where 1 year T-bill was traded as low as 13.30% against its cut-off yield of 13.37% coupled with under cutting in PIB yields in secondary market where 3 and 10 Years PIB traded as low as 13.10% and 13.05 against last cut-off at 13.47% and 13.50% respectively.

EQUITY MARKET REVIEW
The KSE - 100 closed down 9.2% to 11,071 on MoM basis. The market came down during the month, as Foreign Investors Portfolio Investment (FIPI) witnessed a net outflow on monthly basis of \$11.6Mn according to the data provided by NCCPL considerably lower than the previous months outflow of \$29.7Mn. Despite a reduced quantum of selling by foreigners the market witnessed a 9.2% correction as sentiment was dampened by issues of Gas supply and larger than expected NPLs of National Bank. A slight decline in average volume traded from 44Mn shares a day to 41Mn shares a day was also seen which can primarily be attributed to the shortened trading hours during the month of Ramzan.

The Fund-
The fund yielded from Aug 01, 2011 to August 31, 2011 of 13.95% which is marginally better off by 26.58% as compared to the previous month, i.e. 11.02% mainly due to improvement in the debt instruments, linked with over all economics situation, it is likely that the liquidity will improve and in turn will have positive impact on financial sector including mutual funds.



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/sukkuks, 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/sukkuks, TDRs, Certificates of Deposits, Certificate of Musharika etc having the similar profile and preservation of capital as its prime Objective.

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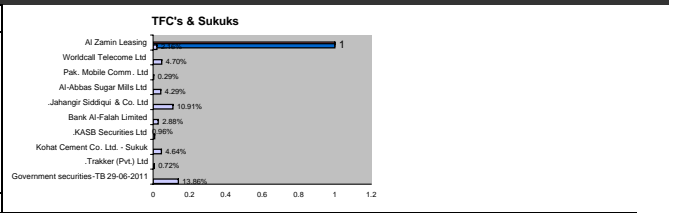
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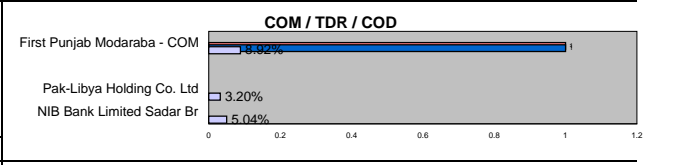
Disclaimer: All investments in mutual funds are subject to market risk. The NAV based prices of Units and any dividends/returns thereon are dependent on forces affecting the financial markets. These may go up and down based on market conditions. Past performance is not necessarily indicative of future 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.

PORTFOLIO DISCRPTION AS ON AUGUST 31 , 2011

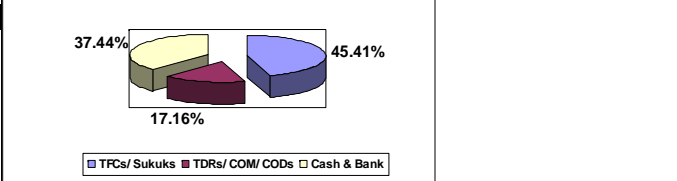
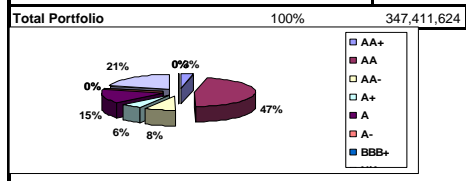
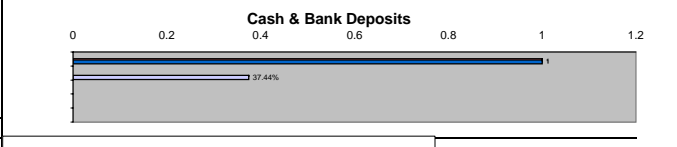
Investment as % of NAV	Ratings	%age	Amount
TFC's & Sukuks			
AI Zamin Leasing	A	2.16%	7,500,000
Worldcall Telecom Ltd	A	4.70%	16,320,559
Pak. Mobile Comm. Ltd	A+	0.29%	1,003,681.00
Al-Abbas Sugar Mills Ltd	A+	4.29%	14,904,567.0
Jahangir Siddiqui & Co. Ltd.	AA+	10.91%	37,908,795.0
Bank Al-Falah Limited	AA+	2.88%	10,008,991.0
KASB Securities Ltd.	A+	0.96%	3,329,447.0
Kohat Cement Co. Ltd. - Sukk	N/A	4.64%	16,132,780.0
Trakker (Pvt.) Ltd.	A	0.72%	2,484,946.6
Government securities-TB 29	N/A	13.86%	48,152,638
		45.41%	157,746,405



COM / TDR / COD	Ratings	%age	Amount
COM / TDR / COD			
First Punjab Modaraba - COM		8.92%	31,000,000
Pak-Libya Holding Co. Ltd	AA+	3.20%	11,103,014
NIB Bank Limited Sadar Br TDR		5.04%	17,500,000
		17.16%	59,603,014



Cash and Bank	Ratings	%age	Amount
Cash and Bank			
	AA	37.44%	130,062,205
		37.44%	130,062,205



Assets Quality	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	D	N/A	Tc	
July, 2011	NIL	3.20%	48.35%	7.92%	5.54%	14.34%			NIL	NIL	NIL	20.66%	100
Asset Allocation (% of NAV)													
July, 2011					45.41%		NIL	17.16%				37.44%	100
Months	Sep'10'	OCT-10'	Nov'10'	Dec'10'	Jan'11'	Feb'11'	March'11'	April'11'	May'11'	Jun'11'	Jul-11	Aug-11	12 M
RIF	-21.95%	4.60%	3.31%	46.86%	-13.05%	9.46%	23.87%	4.73%	11.29%	20.69%	11.02%	13.95%	9.5
Benchmark	12.76%	12.76%	12.80%	13.24%	13.88%	14.51%	13.41%	13.43%	13.32%	13.53%	13.69%	12.88%	13.1

12 months yield calculated by simple average method for RIF and Benchmark.

Compliance with teh Investments criteria as specified by the SECP Circular No. 16 dated 7-7-2010.
secp to Circular No. 16 dated July 07, 2010 issued by the SECP requires details of investments non compliant with the investment criteria specified for the category assigned to open-ended collective investment schemes or the investment requirements of the constitutive documents of the Fund to be disclosed in the annual accounts of the Fund. The table below gives the details of such non-compliant investments:

Name of non-compliant investment	Type of investment	Vlue of Investment before provision	Provision held	Vlue of Investment after provision	% of Net Assets	% of As
Kohat Cement Co.	Sukuk	22,170,280	(6,037,500)	16,132,780	5%	5
Dewan Cement Ltd	TFC	40,000,000	(40,000,000)	-	-	-
New Allied E.(Pvt)	TFC	17,874,817	(17,874,817)	-	-	-
Azgard Nine Ltd	TFC	30,013,323	(30,013,323)	-	-	-
AgriTech Ltd	TFC	9,570,628	(3,570,628)	-	-	-
AgriTech Ltd	TFC	31,429,108	(31,429,108)	-	-	-
New Allied E (Pvt) Ltd	Sukuk	20,127,668	(20,127,668)	-	-	-



total

.00%

total

.00%

months

57%

35%

en

Gross

sets

%

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-

-

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