

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 Junaib & 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
Pakistan's current account continued to show impressive performance during June with a surplus of USD 502mm, culminating in an overall FY11 surplus of USD 542mm (as opposed to a deficit of USD 3.9bn last year). On the other hand, CPI inflation declined to 13.1% YoY in June against 13.2% YoY in May owing to cut in POL prices and high base. With conditions having deteriorated with the downgrade of the US credit rating and the Euro debt problems, the market fears the continuous evacuation of FIPI eroding sentiments considerably. Having said that, we believe investors will respond to result announcements of companies declaring decent dividends during the result season.

MONEY MARKET REVIEW
3M, 6M and 12M kibar rates during the month went up by 10bps, 3bps and 1bp respectively due to tight liquidity conditions in the market. During the latter part of the month, the SBP in a surprise move reduced the country's discount rate by 50bps on the back of its view of lowering inflation and estrained expected government borrowings. The reversal in stance took place after one year of tightening measures since rates were first raised to 13% in Jul '10.

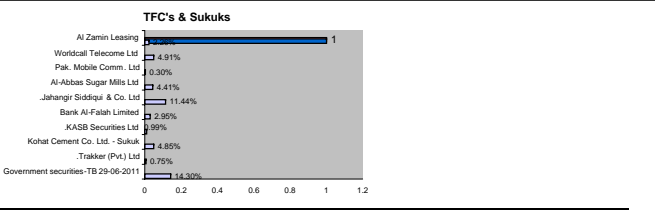
EQUITY MARKET REVIEW
During the latter part of the month, the SBP in a surprise move reduced the country's discount rate by 50bps on the back of its view of lowering inflation and government borrowings going forward. While the reversal in monetary policy stance was expected during the year, the timing of the decision concerned the investment community at large, as it comes amidst tensions between Pakistan and the IMF on the grounds of improper fiscal management, much of which were to be clarified in upcoming talks between the two parties. Further it follows the resignation of the SBP's governor only a few days ago and hence imparts a political flavor to the move.

June, 2011 – NAV Pak Rs. 36.9684 per unit:
The fund yielded from July 01, 2011 to July 31, 2011 of 11.02% which is linked with over all economics situation, its impact on financial sector and trickle down effect on individual instruments. With expected foreign inflows in the coming months, it is likely that the liquidity will improve and in turn will have positive impact on financial

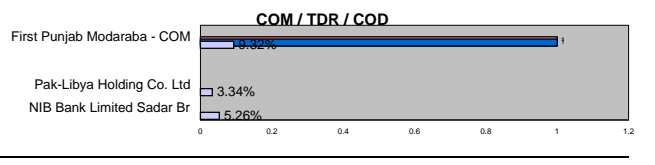


PORTFOLIO DISCRIPTION AS ON JULY 31, 2011

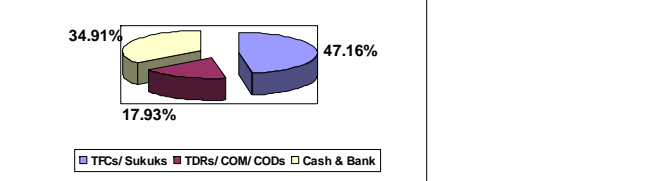
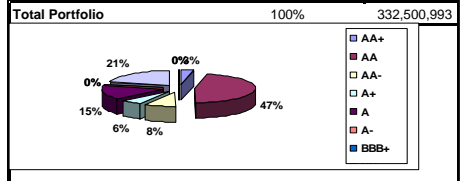
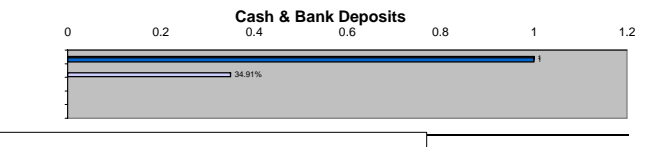
Investment as % of NAV	Ratings	%age	Amount
TFC's & Sukuks			
AI Zamin Leasing	A	2.26%	7,500,000
Worldcall Telecom Ltd	A	4.91%	16,320,559
Pak. Mobile Comm. Ltd	A+	0.30%	990,796.00
Al-Abbas Sugar Mills Ltd	A+	4.41%	14,674,658.00
Jahangir Siddiqui & Co. Ltd.	AA+	11.44%	38,031,805.00
Bank Al-Falah Limited	AA-	2.95%	9,822,603.00
KASB Securities Ltd.	A+	0.99%	3,298,070.00
Kohat Cement Co. Ltd. - Sukk	N/A	4.85%	16,132,780.00
Trakker (Pvt.) Ltd.	A	0.75%	2,481,885.00
Government securities-TB 29	N/A	14.30%	47,564,138
		47.16%	156,817,294



COM / TDR / COD			
First Punjab Modaraba - COM A	9.32%	31,000,000	
Pak-Libya Holding Co. Ltd	3.34%	11,103,014	
NIB Bank Limited Sadar Br TDR	5.26%	17,500,000	
	17.93%	59,603,014	



Cash and Bank	AA	34.91%	116,080,685
		34.91%	116,080,685



Assets Quality	AAA	AA+	AA	AA-	A+	A	A-	BBB	BBB-	D	N/A	Tot						
July, 2011	NIL	3.34%	46.35%	8.22%	5.70%	14.98%		NIL	NIL	NIL	21.41%	100						
Asset Allocation (% of NAV)																		
	TFC's / Sukuks					COI's		TDR's COM's COD's		CFS		Spread Tran.		Cash & Bank Balance		Others		Tot
July, 2011	47.16%					NIL		17.93%		NIL		NIL		34.91%		NIL		100
Months	Aug'10	Sep'10	OCT'10	Nov'10	Dec'10	Jan'11	Feb'11	March'11	April'11	May'11	Jun'11	Jul-11						12 M
RIF	2.37%	-21.95%	4.60%	3.31%	46.86%	-13.05%	9.46%	23.87%	4.73%	11.29%	20.69%	11.02%						8.6
Benchmark	12.76%	12.76%	12.76%	12.80%	13.24%	13.88%	14.51%	13.41%	13.43%	13.32%	13.53%	13.69%						13.1

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

Compliance with the 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 not 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 investment

Name of non-compliant investment	Type of Investments	Value of Investments	Provision Held	Value of Investments after Provision	% of Net Assets	% of Gross Assets
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.Ind.Ltd.	TFC	17,874,817	(17,874,817)	-	-	-
Azgard Mine Limited	TFC	30,013,323	(30,013,323)	-	-	-
AgriTech Limited	TFC	9,570,628	(9,570,628)	-	-	-
AgriTech Limited	TFC	31,429,108	(31,429,108)	-	-	-
New Allied E.Ind.Ltd.	Sukuk	20,127,668	(20,127,668)	-	-	-

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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.



ptal
.00%
ptal
.00%
months
30%
34%

vent
is:

