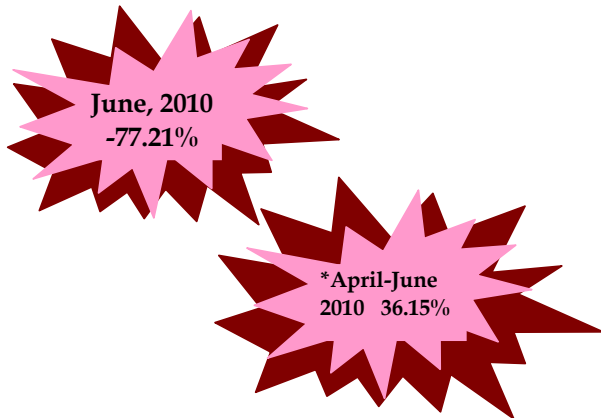


Income Fund

Fund Information

| | |
|-----------------------|---|
| Fund Type | Open End Income Fund |
| Inception Date | 21st October 2006 |
| Benchmark | 1 Month KIBOR |
| Listing | Karachi Stock Exchange Guarantee Ltd. |
| Trustee | CDC |
| Registrar | Trade Technologies Private Limited |
| Auditor | Muniff Ziauddin Junaidy & Company |
| Fund Rating | In Progress |
| AMC - Rating | AM 3- by JCR-VIS (New Rating Under Process) |
| Minimum Investment | Rs. 5,000/- |
| Par Value Per Unit | Rs.. 50/- |
| Sale Load (Front End) | 1.50% on one time |
| Management Fee | 1.5% upto 3% annually |
| Fund Manager | Imran Rahim Khan |



* From April, 2009 to June, 2010 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/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.

THE ECONOMY OF PAKISTAN

Although the country has achieved the real GDP growth of 4.1% during the outgoing fiscal year FY10 (higher than the govt. target) but the economy continues to face many structural problems. The consolidation phase of the economy is still continuing which is reflecting itself in the improved balance of payment position, stable foreign exchange reserves, and robust workers' remittances of over USD 8 billion in FY10 and relatively stable exchange rate. However, the country's structural problems such as energy deficit, circular debt, weak administration, lower tax to GDP ratio and political tussle coupled with war on terror remain significant obstacles to sustainable healthy economic growth. According to the print media, in FY10 the govt. has successfully met the IMF target of zero additional borrowing from SBP after retiring Rs.153bn. The FY11 budget recently announced by the govt. worth Rs.3.25tn seeks further economic consolidation with the most major announcement being the imposition of Capital Gains Tax. While a few tax reforms have been introduced in the budget, imposition of VAT has been deferred for three months under intense pressure. Going forward, the macro economic indicators will largely depend upon international commodity prices trend as well as external flows (such as US, Friends of Pakistan, IMF, World Bank etc).

MONEY MARKET REVIEW

The money market remained quite volatile during the month where overnight REPO rates fluctuated between both ends of the interest rate corridor. The central bank actively carried out OMOs during the month and raised Rs.220bn through T-bill auctions in June against Rs.171bn of maturity. The cut off yields, across the board, increased by 7.9 bps in the last auction, 6 month KIBOR also increased by 10bps during the month to 12.37%.

STOCK MARKET REVIEW

KSE 30 increased by 3.39% during the month as market activity was largely mixed. The market's reaction to the budget ranged from being positive in the beginning of June but later turned negative as developments on the capital gains tax front unfolded. The uncertainties regarding implementation of Capital Gain Tax (CGT) led to a 676 points decline in the KSE 30 Index and it touched the month low on 15th June, 2010 at 9104 points. Volumes remained dull with 8% MoM decline to 38mn/day. In a global perspective the month of June was good as KSE100 was the third best performing index amongst peers. While there were fears of foreign selling, actual foreign investment data depicts an inflow of +US\$26mn. MSCI also announced its annual classification review on 22nd June and the Pakistan market failed to garner enough confidence for upgrade in to MSCI Emerging market Index and remains in the frontier market category.

June 30, 2010 -- NAV Pak Rs.36.7763 per unit:

During the Month, our Fund's yield is -77.21%. This is due to mark to market MUFAP Revaluation prices. Many of the TFCs are under structuring process due to which the management followed and applied prudent and stringent provisioning policy. Further our average return from the period of April, 2009 to June, 2010 is 36.15%.

Our fund has bright chances of 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 and also some recovery of the provisioned assets.



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Dr. Adnan Abid Lakhani
CEO/ Chairman

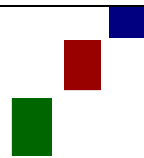
Mr. A.K.M Sayeed
Advisor and Ex-DMD NIT

Imran Rahim Khan
(Senior Fund Manager)
Direct: (021) 5689961, Cell: 0301-2866877

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.

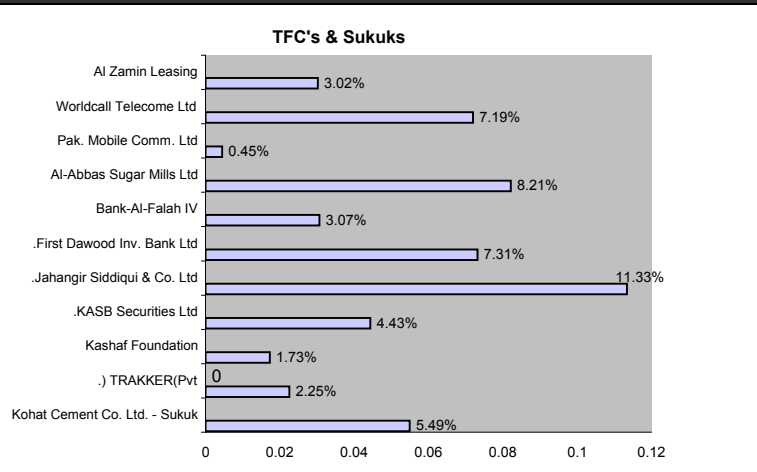
Reliance

Income Fund

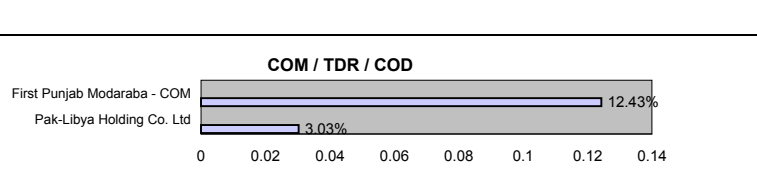


PORTFOLIO DISCRIPTION AS ON June 30, 2010

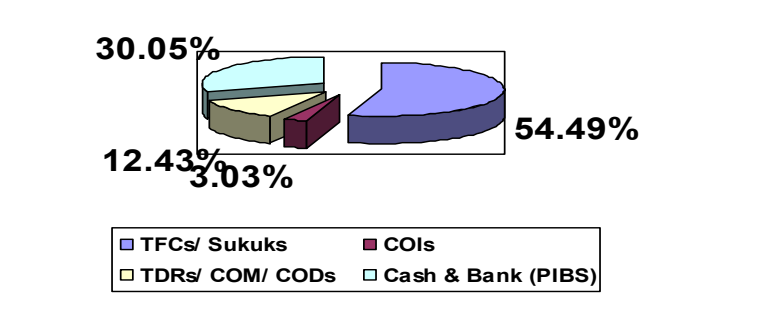
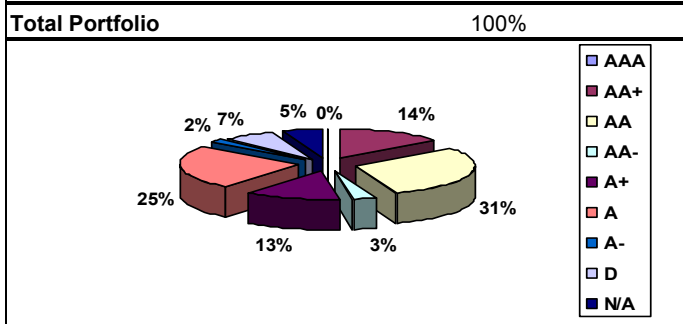
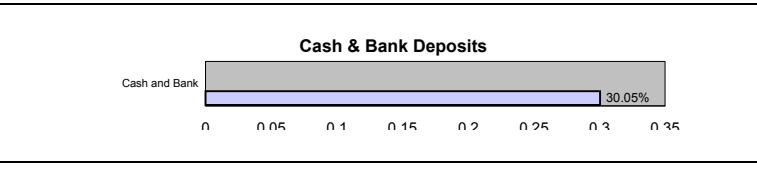
| Investment as % of NAV | Ratings | %age |
|---------------------------|---------|--------|
| TFC's & Sukuks | | |
| Al Zamin Leasing | A | 3.02% |
| Worldcall Telecome Ltd | A | 7.19% |
| Pak. Mobile Comm. Ltd | A+ | 0.45% |
| Al-Abbas Sugar Mills Ltd | A+ | 8.21% |
| Bank-AI-Falah IV | AA- | 3.07% |
| First Dawood Inv. Bank L | D | 7.31% |
| Jahangir Siddiqui & Co. L | AA+ | 11.33% |
| KASB Securities Ltd. | A+ | 4.43% |
| Kashaf Foundation | A- | 1.73% |
| TRAKKER(Pvt. LTD | A | 2.25% |
| Kohat Cement Co. Ltd. - S | N/A | 5.49% |



| COM / TDR / COD/ LOP | | |
|----------------------|-------------------------------|--------|
| 1 | First Punjab Modaraba - (A | 12.43% |
| 3 | Pak-Libya Holding Co. Ltr AA+ | 3.03% |
| Total 15.46% | | |



| Bank Balances | | |
|---------------------|----|--------|
| Cash and Bank | AA | 30.05% |
| Total 30.05% | | |



| Assets Quality | AAA | AA+ | AA | AA- | A+ | A | A- | BBB+ | BBB | BBB- | D | N/A | Total | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|---------|----------------|---------|-------------------|------------------|---------|--------------|--------------------|--------|---------|
| June, 2010 | | 14.36% | 30.05% | 3.07% | 13.09% | 24.90% | 1.73% | NIL | NIL | NIL | 7.31% | 5.49% | 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 Tbills | Others | Total |
| Jun, 2010 | | | | | | | | 54.49% | 3.03% | 12.43% | NIL | NIL | NIL | 30.05% | NIL | 100.00% |
| Months | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | 12 Months | | | |
| RIF | 3.30% | 7.11% | 6.80% | 33.90% | 17.45% | 14.34% | -72.23% | 12.28% | 330.38% | 10.89% | 0.39% | -77.21% | 23.95% | | | |
| Benchmark | 12.25% | 12.66% | 12.79% | 12.80% | 12.37% | 12.46% | 12.39% | 12.41% | 12.37% | 12.13% | 12.31% | 12.45% | 12.45% | | | |

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

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