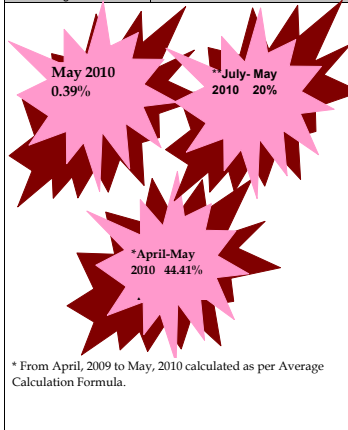


Fund Information	
Fund Type	Open End Income Fund
Inception Date	21st October 2006
Benchmark	1 Month KIBOR
Listing	Karachi Stock Exchange Guarantee Ltd
Trustee	Central Depository Co. of Pakistan Ltd.
Registrar	Trade Technologies Private Limited
Auditor	AF Ferguson & Company
Fund Rating	In Progress
AMC - 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% annual
Fund Manager	Imran Rahim Khan



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 Musharaka 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 Musharaka etc having the similar profile and preservation of capital as its prime Objective.

THE ECONOMY OF PAKISTAN
The economic activity in the country is starting to pick up pace; however several structural issues still continue to persist. In particular, the country's budget deficit may likely to reach 5.5% of GDP in FY10, surpassing the 5.1% target agreed with the International Monetary Fund(IMF). Furthermore, High inflation, revenue-expenditure mismatch, energy crisis are the main reasons for the growing budget deficit. The State Bank of Pakistan(SBP) also expressed the similar concerns in its Monetary Policy Statement of FY 10 and decided to keep the policy rate unchanged at 12.50% in line with our expectations. The Consumer Price Index (CPI) figures for the month of April 2010 was 13.26% YOY and 1.73% MoM taking the 10 M FY 10 inflation to 11.49%. Remittances of USD 756 million (+8.35%YOY) have been received in April 2010 and the cumulative 10 MFY10 figure amounts to USD 7.31 billion (+14.96%YOY).

MONEY MARKET REVIEW
Money market rates, during the month, remained stable due to the improved liquidity in the market, average overnight repo rates were declined in the range of 11.54%. SBP was actively mopping up the excess liquidity from the market.

STOCK MARKET REVIEW
The KSE-100 index lost 1,102 points during the month. As per the NCCPL data foreigners were the largest buyers during the month with net buying of USD 24.91 Million, while Banks and DFIs were the largest sellers with net selling amounting to USD 17.07 Million. Currently investors are hesitant to take fresh positions due to the uncertainty emanating from the modalities of the capital Gains Tax and the impact of the budget on the Capital Markets.

May 31, 2010 -- NAV Pak Rs. 41.5299 per unit.
During the Month, our Fund has earned a yield of 0.39%. This is due fall out effect of the financial crisis of Year 2008, and also due to mark to market Muraf Revaluation prices. Many of the TFCs are under restructuring process due to which the management followed and applied Prudent and stringent provisioning policy. 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. 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. Going forward, growth in the real economy will be determined by fiscal discipline and trends in inflation.



Dr. Adnan Abid Lakhani
CEO/ Chairman

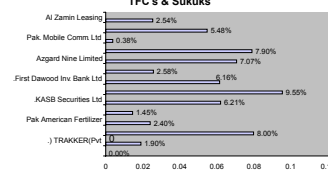
Mr. A.K.M Sayeed
Advisor and Ex-DMD NIT

Imran Rahim Khan
(Senior Fund Manager)
Direct: (021) 5689961, Cell: 0301-2866877
E.mail: imran.rahim@nomanabid.com

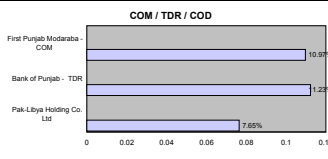
Disclaimer: All investments in mutual funds are subject to market risk. The NAV based prices of Units and any dividends/returns thereon are dependent on forces affecting the financial markets. These may go up and down based on market conditions. Past performance is not necessarily indicative of future 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 May 31, 2010

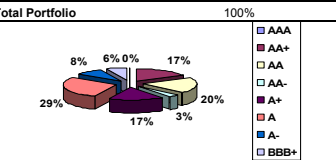
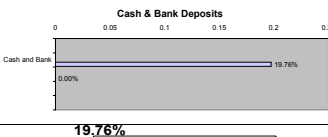
Investment as % of NAV	Rating	%age
TFC's & Sukuks		
Al Zamin Leasing	A+	2.54%
Worldcall Telecom Ltd	A	5.43%
Pak. Mobile Comm. Ltd	AA-	0.38%
Al-Abbas Sugar Mills Ltd	A+	7.90%
Azgard Nine Limited	A-	7.07%
Bank-Al-Falah IV	AA-	2.53%
First Dawood Inv. Bank Lt	BBB+	6.16%
Jahangir Siddiqui & Co. L	AA+	9.55%
KASB Securities Ltd.	A+	6.21%
Kashaf Foundation	A-	1.45%
Pak American Fertilizer	A	2.40%
Pak-American Fertilizer	A	8.00%
TRAKKER(Pvt. LTD	A	1.90%
Kohat Cement Co. Ltd. - t	BBB+	0.00%
Total		61.62%



COM / TDR / COD/ LOP	%age
COM / TDR / COD	
First Punjab Modaraba - COM	10.97%
Bank of Punjab - TDR	11.23%
Pak-Libya Holding Co. Ltd	7.65%
Total	18.62%



Cash and Bank	AA	%age
Cash and Bank	AA	19.76%
Total		19.76%



Assets Quality	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	D	N/A	Total
May, 2010		17.20%	19.76%	2.96%	16.65%	28.75%	8.45%	6.23%	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
May, 2010												61.62%	NIL	18.62%	NIL	NIL	NIL	19.76%	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%								

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