

### Meezan Islamic Income Fund (MIIF)

Managed By: Al-Meezan Investment Management Limited

#### Fund Stability Rating

##### Latest Rating

A+(f)

16-Dec-25

##### What is Fund Stability Rating

Fund Stability Rating (FSR) is a measure used to assess the stability and risk associated with a mutual fund or investment portfolio. The stability rating combines a comprehensive quantitative evaluation of the fund's portfolio with a qualitative assessment of fund management. This rating offers investors an impartial gauge of the primary areas of risk that income funds may face, including credit risk, liquidity risk, and interest rate risk.

#### Fund Information

#### Fund Overview

<b>Launch Date</b>	January 15, 2007
<b>Fund Type</b>	Open End
<b>Category</b>	Income
<b>Risk Profile</b>	Medium
<b>Auditor</b>	A.F. Ferguson & Company
<b>Trustee</b>	Central Depository Company of Pakistan Limited
<b>Front-end Load</b>	1.00%
<b>Back-end Load</b>	Contingent load for Type C investors
<b>Benchmark</b>	75% 6M PKISRV rate + 25% 6M average of highest savings rates of three AA-rated Islamic Banks or Islamic windows
<b>MQR Rating</b>	AM1 (VIS)
<b>Mgt. Fee</b>	Up to 1.5% of average daily net assets of the Scheme

Meezan Islamic Income Fund (the Fund) is an open-end income fund constituted under a Trust Deed entered into on January 15, 2007, between Al-Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

#### Investment Objective

The objective of the scheme is to provide investors with a high and stable rate of current income consistent with long term preservation of capital in a Shariah compliant way. A secondary objective is to take advantage of opportunities to realize capital appreciation.

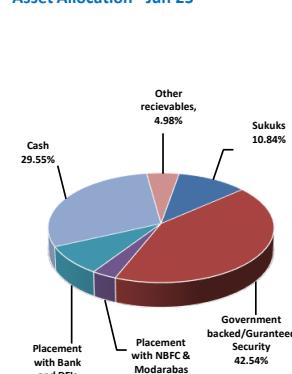
#### Offering Document (Extract)

Description	Minimum rating	Min- Max Limits
Shariah Compliant GOP Ijara Securities	NA	0%-75%
Cash at Bank (excluding TDRs) with licensed Islamic Banks or Islamic Branches/Windows of Conventional Banks, Shariah Compliant Government Securities including GoP Ijarah Sukuk not exceeding 90 days maturity.	A-	25%-100%
Shariah compliant non-traded securities with maturity not exceeding six (6) months, including but not limited to Bank deposits with licensed Islamic banks and/or Islamic branches/windows of Conventional Banks	A-	0%-75%
Shariah compliant non-traded securities with maturity not exceeding six (6) months, including but not limited to placement of funds with Islamic Microfinance Bank, NBFC and Modarabas.	A-	0%-25%
Spread Transactions as approved by the Shariah Advisors	NA	0%-40%
Secured and/or unsecured, listed and/or privately placed Shariah Compliant debt securities/Commercial Papers/ Sukuks issued by Corporate entities and/or Financial Institutions.	A-	0%-75%
Shariah Complaint Secured and/or Unsecured, listed and/or privately placed debt securities issued by Government or governmental agencies/bodies	NA	0%-75%
Shariah compliant non-traded securities with maturity exceeding six (6) months, including but not limited to Bank deposits with licensed Islamic banks and/or Islamic branches/windows of Conventional Banks and placement of funds with Islamic Financial Institutions	A-	0%-15%
Authorized Shariah Compliant Investments outside Pakistan including Islamic Income mutual funds shall be subject to prior approvals and guidelines (if any) of the SECP, SBP and Shariah Advisor	-	0%-As allowed by SECP
Any other Shariah Compliant instruments/securities that may be permitted or approved by the SECP and Shariah Advisor of the Scheme from time to time	-	0%-75%

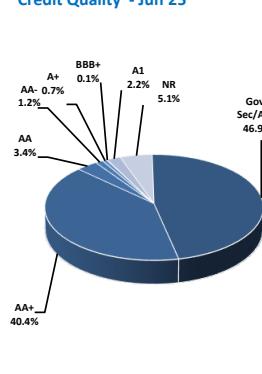
#### Net Assets

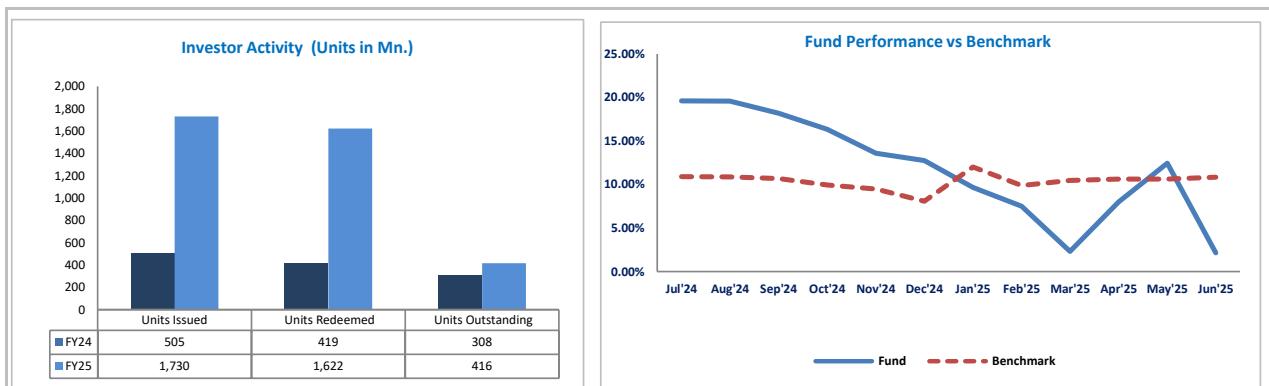
	Jun'23	Jun'24	Jun'25
Net Assets (In PKR' Millions)	11,474	15,980	21,553

#### Asset Allocation - Jun'25



#### Credit Quality - Jun'25





Credit Quality (FY25)					Avg. Asset Allocation (% wise)		FY24 Avg.	FY25 Avg.
Portfolio Maturity (FY25)	Average	Maximum	Minimum	Benchmark			FY24	FY25
WAM in year(s)	1.89	2.27	1.47	4.00	Sukuks	12.95%	6.23%	
Duration (In Days)	148	270	80	1460	Government backed/Guranteed	53.26%	44.64%	
					Commercial Papers	0.00%	0.00%	
					Placement with NBFC & Modarabas	0.00%	1.38%	
					Placement with Bank and DFIs	0.00%	7.92%	
					Bai Muajjal Placement	0.00%	0.27%	
					Cash	29.46%	35.16%	
					Other receivables	4.32%	4.40%	

Fund Stability Analysis		
The Meezan Islamic Income Fund has been assigned a rating of A+(f) for fund stability. This rating indicates moderate degree of stability in Net Asset Value; Risk factors may vary with possible changes in the economy.		
<b>Asset Allocation:</b> During FY25, the Fund's Assets Under Management (AUMs) exhibited a fluctuating trend, peaking at PKR 46.3 bn by end-Dec'24 before declining to PKR 21.6 bn as of Jun'25. The Fund's asset allocation strategy remained largely aligned with the parameters set out in the offering document.		
During the year, liquidity was channeled into Cash holdings and placements with Banks & DFIs, constituting ~35.2% (FY24: 29.5%) and ~7.9% (FY24: Nil), respectively. Shariah-compliant government-backed securities constituted ~44.6% (FY24: 53.3%) of the portfolio, and Sukuks represented ~6.2% (FY24: 13.0%) of total investments.		
<b>Credit Quality:</b> During FY25, the Fund's investments were primarily concentrated in AAA rated securities, constituting approximately 57.1% of total assets (FY24: 62.3%), followed by AA+ rated securities at around 15.5% (FY24: 8.5%) and A+ rated securities at about 12.8% (FY24: 3.2%). Approximately 1.7% of the portfolio, primarily comprising Sukuks, has been classified as impaired, and provisions have been duly recognized, except for the Agha Steel Sukuk, which remains 66.7% provided.		
<b>Market and Liquidity Risk:</b> As per the offering document, the weighted average time to maturity (WAM) of the net assets is capped at four years, a limit the Fund remained compliant with. Average WAM of the portfolio stood at 1.9 years, while average duration was reported at 0.4 years during FY25.		
The Fund's liquidity profile is considered sound, with liquid assets comprising 88.0% (FY24: 82.7%) of the portfolio. AUMs were primarily held by retail investors, representing 61.1% of total AUMs, though this reflects a decline vis-à-vis last year's 91.0% retail concentration. Client concentration remained moderate, as the top 10 investors accounted for ~36.6% (FY24: 21.0%) of total AUMs.		
<b>Fund Performance:</b> During the period under review, the Fund generated an annualized return of 12.54%, outperforming its benchmark return of 10.37% but trailing the peer average of 13.28%. Within its peer group, the Fund placed in the fourth quartile, ranking 33rd out of 41.		
Following the change in the Fund's benchmark in Jan'25, the Fund trailed its benchmark on a month-on-month (MoM) basis from that point onward.		

Financial Snapshot		
	FY24	FY25
<b>BALANCE SHEET</b>		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<b>INCOME STATEMENT</b>	FY24	FY25
Total Income	2,757.1	4,925.1
Profit Before Tax	2,554.6	4,297.8
Profit After Tax	2,554.6	4,297.8
<b>RATIO ANALYSIS</b>	FY24	FY25
Current Ratio (x)	N/A	N/A
Gearing (x)	N/A	N/A
FFO	N/A	N/A

Regulatory Disclosures			
Name of Rated Fund	Meezan Islamic Income Fund	Sector	Mutual Funds
Type of Relationship	Solicited	Purpose of Rating	Fund Stability Rating (FSR)
Rating History			
Rating Type	Rating Date	Medium to Long Term	Rating Action
Fund Stability	16-Dec-25	A+(f)	Reaffirmed
Fund Stability	6-Jan-25	A+(f)	Reaffirmed
Fund Stability	27-Dec-23	A+(f)	Reaffirmed
Fund Stability	3-Jan-23	A+(f)	Reaffirmed
Fund Stability	27-Dec-21	A+(f)	Reaffirmed
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Rating Methodology	<a href="https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf">https://docs.vis.com.pk/Methodologies-2025/FSR-Methodology-Jan-2025.pdf</a>		
Rating Scale	<a href="https://docs.vis.com.pk/docs/VISRatingScales.pdf">https://docs.vis.com.pk/docs/VISRatingScales.pdf</a>		

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