

**Meezan Daily Income Fund Plan-I (MDIP-I)****Managed By: Al-Meezan Investment Management Limited****Fund Stability Rating****Latest Rating****A+(f)****27-Dec-23****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**

<b>Auditor</b>	EY Ford Rhodes, Chartered Accountants
<b>Trustee</b>	Central Depository Company of Pakistan Limited
<b>Front-end Load</b>	Up to 1.5%
<b>Back-end Load</b>	Nil
<b>Benchmark</b>	6 Months average deposit rates of 3 A-rated Islamic Banks.
<b>MQR Rating</b>	AM1 (VIS)
<b>Mgt. Fee</b>	Up to 5% of the gross earnings of the Scheme, calculated on a daily basis, subject to a minimum of 0.1% of the average daily net assets

**Fund Overview**

Meezan Daily Income Plan-I (MDIP-I) is an Asset Allocation Plan under the Meezan Daily Income Fund (MDIF) scheme which is a Shariah compliant open end income scheme, constituted under a Trust Deed entered into on Sept 13, 2021, between Al-Meezan Investment Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee.

**Investment Objective**

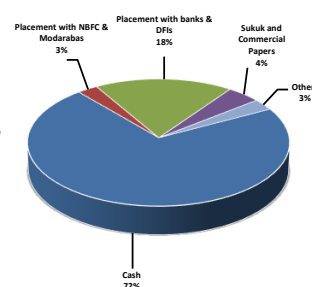
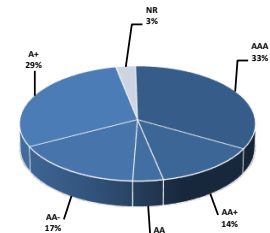
The fund's objective is to provide investors with a competitive rate of return, together with daily payout, through investment in Shariah Compliant Fixed Income Instruments.

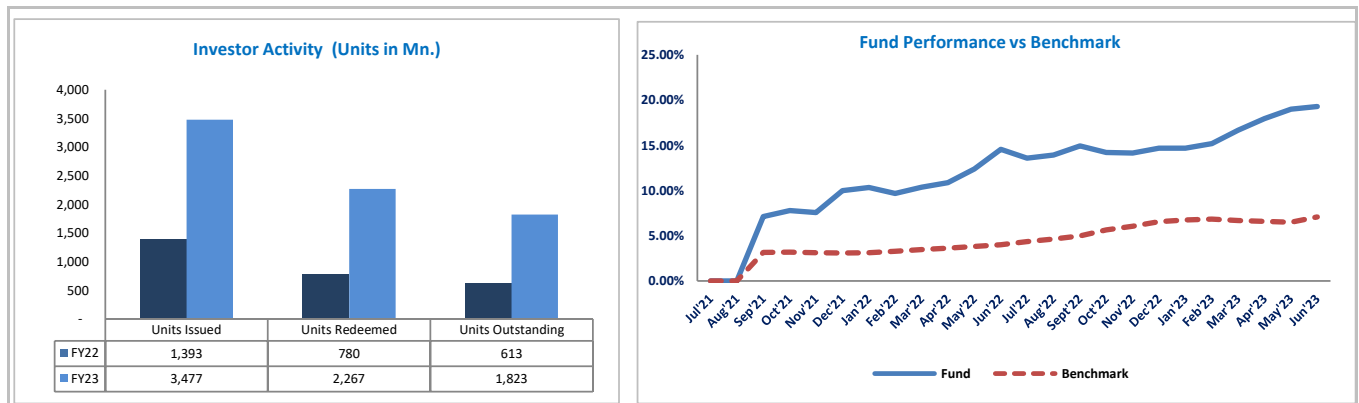
**Offering Document (Extract)**

Description	Minimum rating	Min- Max Limits
Shariah Compliant GOP issued/guaranteed 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 traded/nontraded 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, Sukuk and Islamic commercial papers.	AA	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.	AA	0%-25%
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.	AA	0%-15%
Authorized Shariah Compliant Investments outside Pakistan 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%-As allowed by SECP

**Net Assets**

	Jun'21	Jun'22	Jun'23
Net Assets (In PKR' Millions)	-	30,398	90,847

**Asset Allocation - Jun'23****Credit Quality - Jun'23**



Credit Quality (FY'23)				Avg. Asset Allocation (% wise)		
	Average	Maximum	Minimum		FY'22 Avg.	FY'23 Avg.
Government Securities	0.00%	0.00%	0.00%	Cash	76.66%	59.15%
AAA	27.10%	34.33%	8.90%	Placement with NBFC & Modarabas	6.50%	4.13%
AA+	15.20%	19.96%	9.97%	Placement with banks & DFIs	2.40%	17.67%
AA	12.23%	15.86%	3.92%	Sukuk and Commercial Papers	11.40%	10.70%
AA-	6.35%	16.79%	0.20%	Government Guarantees	2.20%	1.17%
A+	37.20%	49.28%	26.54%	Bai Muajjal Placement	0.00%	5.24%
A	0.00%	0.00%	0.00%	Others	0.84%	1.95%
A-	0.00%	0.00%	0.00%			
BBB+	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	1.92%	2.89%	1.50%			

Portfolio Maturity (FY'23)				Fund Performance		
	Average	Maximum	Minimum		FY'22	FY'23
WAM in year(s)	0.05	0.09	0.03	Total Return	10.58%	16.86%
Duration (In Days)	19	33	11	Benchmark Return	3.39%	6.06%
				Peer Average	8.91%	15.75%
				Peer Ranking	-	6/23

## Fund Stability Analysis

The Meezan Daily Income Fund Plan-I has been assigned Fund Stability Rating of A+(f). This rating indicates a moderate degree of stability in the net asset value (NAV) of the fund, with potential variations in risk factors due to changes in the economy.

## Asset Allocation:

Assets Under Management (AUMs) of the fund has notably increased to Rs. 90.8b (June'22: 30.4b) as of June'23. The fund's asset allocation is complied with its offering document wherein the majority of the fund's assets are allocated to cash (59.2%), followed by placements with banks and development finance institutions (17.7%), sukuk and commercial papers (10.7%), bai muajjal placement (5.2%), placement with NBFC and modarabas (4.1%) and government guarantees (1.2%).

## Credit Quality:

In order to cater to its mandate, the fund has complied to invest in instruments that have a minimum credit quality rating of 'A+' or higher during the year. The fund's portfolio consists of assets with credit ratings of AAA (27.1%), AA+ (15.2%), AA (12.2%), AA- (6.4%) and A+ (37.2%). During FY23, a tilt towards higher-rated securities (AAA, AA+ and AA) has been noted.

## Market and Liquidity Risk:

As per the offering document, the duration of the fund remained within specified limit while the maximum duration was recorded at 33 days during FY23. Retail investors comprises a significant share of 87.7% as of Jun'22 (June'22: 85.3%). Top 10 investors contribution to the total AUMs was reported on the lower side at 7.1% as of Jun'23 (June'22: 15.5%).

## Fund Performance:

Since inception, fund returns have noticeably outperformed the benchmark rates. Relative to its peers, the fund's ranking maintained its position in the first quartile.

## Financial Snapshot

	FY22	FY23
<b>BALANCE SHEET</b>		
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
<b>INCOME STATEMENT</b>		
Total Income	1,542.1	11,266.0
Profit Before Tax	1,482.2	10,674.9
Profit After Tax	1,482.2	10,674.9
<b>RATIO ANALYSIS</b>		
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 Daily Income Fund Plan-I	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	27-Dec-23	A+(f)	Reaffirmed
Fund Stability	19-Jan-23	A+(f)	Initial
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.		
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Note: VIS' mutual fund rating is not a recommendation to buy, sell, or hold any fund, in as much as it does not comment as to suitability for a particular investor.