

Meezan Daily Income Plan-I (MDIP-I)

Managed By: Al-Meezan Investment Management Limited

Fund Stability Rating

Latest Rating

AA-(f)
6-Jan-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

Launch Date	September 13, 2021
Fund Type	Open End
Category	Income
Risk Profile	Moderate
Auditor	EY Ford Rhodes, Chartered Accountants
Trustee	Central Depository Company of Pakistan Limited
Front-end Load	Up to 1.5%
Back-end Load	Nil
Benchmark	6 Months average deposit rates of 3 A-rated Islamic Banks.
MQR Rating	AM1 (VIS)
Mgt. Fee	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.

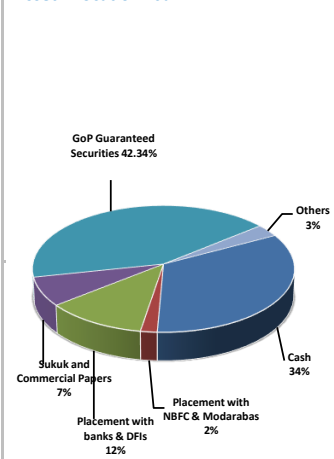
Offering Document (Extract)

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

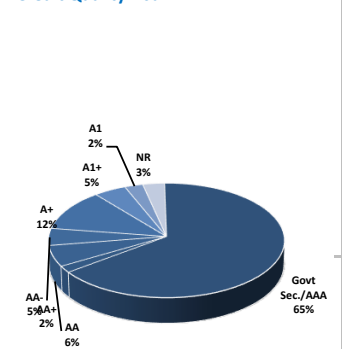
Net Assets

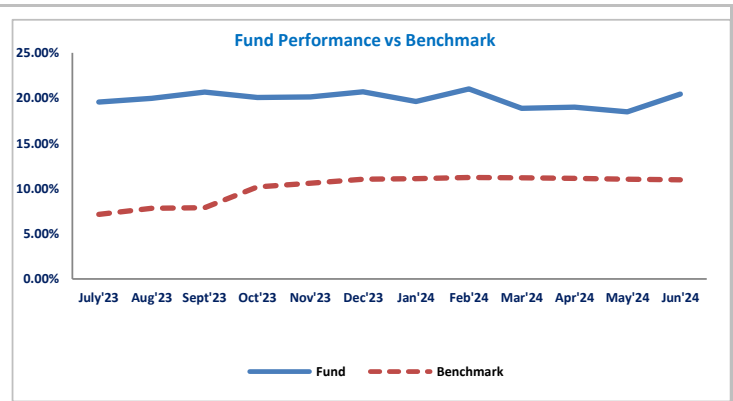
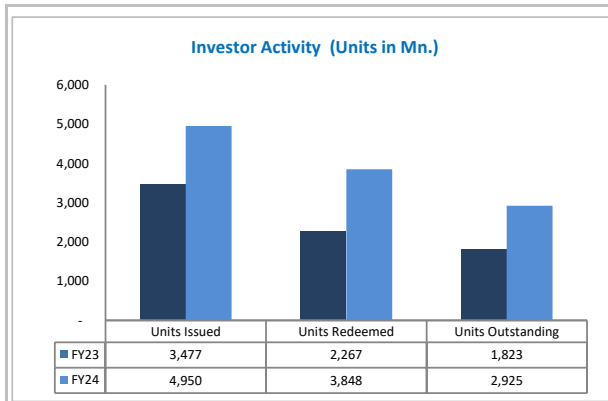
	Jun'22	Jun'23	Jun'24
Net Assets (In PKR Millions)	30,398	90,847	146,252

Asset Allocation - Jun'24



Credit Quality - Jun'24





Credit Quality (FY'24)	Average	Maximum	Minimum	Avg. Asset Allocation (% wise)	FY'23 Avg.	FY'24 Avg.
Govt Sec./AAA	40.84%	65.00%	16.90%	Cash	59.15%	50.79%
AA+	14.98%	21.51%	1.86%	Placement with NBFC & Modarabas	4.13%	2.04%
AA	11.62%	27.32%	2.00%	Placement with banks & DFIs	17.67%	16.47%
AA-	6.99%	17.51%	4.31%	Sukuk and Commercial Papers	10.70%	5.43%
A+	20.16%	35.65%	11.82%	GoP Guaranteed Securities	1.17%	22.65%
A	0.00%	0.00%	0.00%	Bai Muajjal Placement	5.24%	0.00%
A-	0.00%	0.00%	0.00%	Others	1.95%	2.62%
A1+	1.68%	0.00%	0.00%			
A1+	1.09%	3.29%	0.00%			
A1	0.00%	0.00%	0.00%			
BBB	0.00%	0.00%	0.00%			
BBB-	0.00%	0.00%	0.00%			
NR	2.64%	0.00%	0.00%			

Portfolio Maturity (FY'24)	Average	Maximum	Minimum	Benchmark	Fund Performance	FY'23	FY'24
WAM in year(s)	0.34	0.62	0.04	2.00	Total Return	16.86%	21.78%
Duration (In Days)	124	227	13	730	Benchmark Return	6.06%	10.10%
					Peer Average	15.75%	21.08%
					Peer Ranking	6/23	9/31

Fund Stability Analysis

The Meezan Daily Income Plan-I has been assigned Fund Stability Rating of AA-(f). This rating indicates high degree of stability in Net Asset Value; Risk is modest but may vary slightly from time to time because of changing economic conditions.

Asset Allocation:

During FY24, the Assets Under Management (AUM) of the Fund exhibited notable growth, starting the year at Rs. 91b and peaking at Rs. 164b in May'24 before settling at Rs. 146b in Jun'24. Throughout the period, the Fund's asset allocation largely adhered to the parameters outlined in the offering document. However, some minor breaches were noted in certain months during the year. On average, cash deposits constituted the majority of investments at ~51% of the portfolio, followed by exposures in GoP-guaranteed securities, which accounted for ~23%. The remaining investments were distributed among sukuk, commercial papers, and placements with NBFCs and modarabas.

Credit Quality:

The rating upgrade highlights an improvement in credit quality, with an increased allocation to AAA-rated assets averaging ~41% of total investments (FY23: ~27%). A+-rated investments constituted ~20% of the portfolio, while AA+-rated assets represented ~15%. Furthermore, the Fund ensures that all cash placements are held in A+ and above rated instruments/investments, as per the offering document.

Market and Liquidity Risk:

The offering document of the Fund restricts weighted average time to maturity (WAM) to not exceed 2 years, which the Fund has complied with. During FY24, the maximum WAM reported was 0.57 years in Jun'24.

The liquidity profile of the Fund is considered strong, with liquid assets comprising ~92% of the total assets during FY24. The Fund's AUM mix is dominated by retail investors, constituting ~84% of the Fund's portfolio. Additionally, concentration risk is considered low, given top 10 investors making up ~9% of the Fund's AUM as at Jun'24.

Fund Performance:

During FY24, the Fund generated a YTD return of 21.78%, outperforming both its benchmark and the peer average. The Fund ranked 9th out of 31 funds, placing it in the second quartile relative to its peers.

Financial Snapshot

BALANCE SHEET	FY23	FY24
Paid Up Capital	N/A	N/A
Total Equity	N/A	N/A
INCOME STATEMENT	FY23	FY24
Total Income	11,266.0	26,732.8
Profit Before Tax	10,674.9	25,149.0
Profit After Tax	10,674.9	25,149.0
RATIO ANALYSIS	FY23	FY24
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 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	6-Jan-25	AA-(f)	Upgrade
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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Rating Scale	https://docs.vis.com.pk/docs/VISRatingScales.pdf		

Lead Analyst	Analyst
Shaheryar Khan Mangan shaheryar@vis.com.pk	Salman Saba salman.saba@vis.com.pk

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.