

March 11, 2014

**CARE ASSIGNS 'CARE AAAMFS' RATING TO
SUNDARAM SELECT DEBT SHORT-TERM ASSET PLAN**

Ratings

| Scheme Name | Scheme Type | Rating ¹ | Remarks |
|--|--------------------------|---------------------|----------|
| Sundaram Select Debt Short Term Asset Plan | Open-Ended Income Scheme | CARE AAAMfs | Assigned |

Rating Rationale

CARE has assigned 'CARE AAAMfs' rating to Sundaram Select Debt Short Term Asset Plan. The fund is managed by Sundaram Asset Management Company Limited.

The investment objective of the Scheme is to earn regular income for investors through investments primarily in fixed income securities. The fund house will manage the portfolio of Sundaram Select Debt Short Term Asset Plan such that it meets the CARE's criteria to qualify for the credit quality rating of 'CARE AAAMfs'.

CARE's fund credit quality ratings are opinions on the overall credit quality of specific Debt Mutual Fund scheme. CARE's fund credit quality rating is not a recommendation to purchase, sell, or hold a security / fund. It neither comments on the current market price, suitability for a particular investor nor on the prospective performance of the fund with respect to appreciation, volatility of net asset value (NAV), or yield of the fund. The ratings do not address the funds ability to meet the payment obligations to the investors.

The fund ratings capture funds overall exposure to default risk. CARE's fund credit quality ratings are based on evaluation of the fund's investment strategy and portfolio credit risk. It also involves evaluation of credit quality of individual assets, diversification of portfolio, management quality and operational policies. CARE uses the concept of credit scores, assigned to individual securities, as per credit scoring matrix developed by CARE.

CARE reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions. As such, monthly reports of the fund are examined. While the fund has to maintain the fund credit score within the benchmark fund scores, in a particular month, if the fund credit score breaches the benchmark, CARE provides one month to the asset management company (AMC) to realign the score.

Profile of AMC

Sundaram Asset Management Company Limited, the investment managers of Sundaram Mutual Fund, is a wholly owned subsidiary of Sundaram Finance. The average AUM of Sundaram Mutual Fund for the quarter of October-December 2013 was Rs.16,024 crore.

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¹ Complete definitions of the ratings assigned are available at www.careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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