

## SBI Funds Management Limited

May 17, 2024

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
SBI Banking and PSU Fund	Open-Ended Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Corporate Bond Fund	Open-Ended Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Dynamic Bond Fund	Open-Ended Dynamic Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Floating Rate Debt Fund	Open-Ended Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Liquid Fund	Open-Ended Liquid Scheme	CARE AAA mfs	Reaffirmed
SBI Magnum Low Duration Fund	Open-Ended Low Duration Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Magnum Ultra Short Duration Fund	Open-Ended Ultra Short Term Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Overnight Fund	Open-Ended debt scheme	CARE A1+ mfs	Reaffirmed
SBI Savings Fund	Open-Ended Debt Scheme	CARE AAA mfs	Reaffirmed
SBI Short Term Debt Fund	Open-Ended Short Term Debt Scheme	CARE AAA mfs	Reaffirmed
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	Open-Ended target maturity index fund	CARE AAA mfs	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality rating assigned to SBI Banking and PSU Fund, SBI Corporate Bond Fund, SBI Dynamic Bond Fund, SBI Floating Rate Debt Fund, SBI Liquid Fund, SBI Magnum Low Duration Fund, SBI Magnum Ultra Short Duration Fund, SBI Overnight Fund, SBI Savings Fund, SBI Short Term Debt Fund and SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund. These funds are managed by SBI Funds Management Limited (AMC).

Schemes rated 'CARE AAA mfs' are considered to have highest degree of safety regarding timely receipt of payments from the investments that they have made.

Schemes rated 'CARE A1+ mfs' are considered to have very strong degree of safety regarding timely receipt of payments from the investments that they have made.

CARE Ratings' fund Credit Quality Rating (CQR) is an opinion on the overall credit quality of a debt mutual fund scheme. CARE Ratings' fund CQR is not a recommendation to purchase, sell, or hold a security/fund. They comment neither 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 fund's ability to meet the payment obligations to the investors.

The ratings are not an opinion on the fund management practices (including fund structure, expense ratios & marketing activities), financial performance as well as management quality of an AMC and hence do not comment upon the business practices. The ratings are also not indicative of compliance & reputation risks, liquidity, market and sectoral risks.

The ratings capture the fund's overall exposure to default risk based on the credit quality of individual securities in the portfolio. CARE Ratings' fund CQR is based on the evaluation of the fund's investment strategy and portfolio credit risk. It involves the evaluation of the credit quality of individual securities as well as the diversification of portfolio. CARE Ratings Limited (CARE Ratings) uses the concept of credit scores assigned to individual securities, as per credit scoring matrix developed by it.

CARE Ratings reviews the rated mutual fund scheme on an on-going basis to support its published rating opinions. As such, portfolio of the fund is reviewed on monthly basis. In addition, detailed annual review of the fund is also undertaken. The fund has to maintain the fund credit score within the benchmark fund score associated with a given rating level. If in any particular month, the fund credit score breaches the benchmark, CARE Ratings generally provides one month to the AMC to realign the score.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE publications

The credit score of the above schemes have been calculated based on the portfolio outstanding as on April 30, 2024, and are within the benchmark set by CARE Ratings.

### **Rating sensitivities: Factors that could individually or collectively lead to rating actions**

**Positive factors:** Not Applicable

### **Negative factors:**

CARE Ratings could downgrade the ratings of the schemes if the credit quality of the underlying securities deteriorates thereby resulting into a breach in the threshold limit set by CARE for a given rating level.

### **Analytical approach**

Assessment of underlying credit quality of the debt schemes.

### **Applicable criteria**

[Rating Methodology – Fund Credit Quality](#)

### **About the funds**

#### **SBI Banking and PSU Fund:**

SBI Banking & PSU Fund is an open-ended debt scheme launched by SBI FML in October 2009. The investment objective is to generate regular income through a judicious mix of portfolio comprising predominantly debt and money market securities of banks, PSUs, public financial institutions, and municipal bodies. There can be no assurance that the investment objective of the scheme will be realized. The fund's assets under management (AUM) stood at ₹4,261 crore as on April 30, 2024.

#### **SBI Corporate Bond Fund:**

SBI Corporate Bond Fund is an open-ended debt scheme launched by SBI FML in January 16, 2019. The investment objective is to generate additional spread on part of their debt investments from high-quality corporate debt securities while maintaining moderate liquidity in the portfolio through investment in money market securities. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns. The fund's assets under management (AUM) stood at ₹20,165 crore as on April 30, 2024.

#### **SBI Dynamic Bond Fund:**

SBI Dynamic Bond Fund is an open-ended dynamic debt scheme launched by SBI FML in February 09, 2004. The investment objective is to provide investors attractive returns through investments in an actively managed portfolio of high-quality debt securities of varying maturities. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's assets under management (AUM) stood at ₹3,060 crore as on April 30, 2024.

#### **SBI Floating Rate Debt Fund:**

SBI Floating Rate Debt Fund is an open-ended debt scheme launched by SBI FML in October 27, 2020. The investment objective of the scheme is to generate regular income through investment in a portfolio comprising substantially of floating rate debt instruments. The scheme may invest a portion of its net assets in fixed-rate debt securities swapped for floating rate returns and money market instruments. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's assets under management (AUM) stood at ₹1,153 crore as on April 30, 2024.

#### **SBI Liquid Fund:**

SBI Liquid Fund is an open-ended liquid scheme launched by SBI FML in November 24, 2003. The investment objective is to provide the investors with an opportunity to invest in the entire range of debt and money market securities with residual maturity up to 91 days only. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme doesn't assure or guarantee any returns. The fund's assets under management (AUM) stood at ₹71,061 crore as on April 30, 2024.

#### **SBI Magnum Low Duration Fund:**

SBI Magnum Low Duration Fund is an open-ended low duration debt scheme launched by SBI FML in July 27, 2007. The investment objective of the scheme is to provide investors with an opportunity to generate regular income with a reasonable degree of liquidity through investments in debt and money market instruments in such a manner that the Macaulay duration of the portfolio is between six months and twelve months. However, there is no guarantee or assurance that the investment objective

of the scheme will be achieved. The scheme does not assure or guarantee any returns. The fund's assets under management (AUM) stood at ₹10,285 crore as on April 30, 2024.

#### **SBI Magnum Ultra Short Duration Fund:**

SBI Magnum Ultra Short Duration Fund is an open-ended ultra-short-term debt scheme launched by SBI FML in May 21, 1999. The investment objective of the scheme is to provide investors with an opportunity to generate regular income with a high degree of liquidity through investments in a portfolio comprising predominantly of debt and money market instruments. The fund's assets under management (AUM) stood at ₹11,398 crore as on April 30, 2024.

#### **SBI Overnight Fund:**

SBI Overnight Fund is an open-ended debt scheme launched by SBI FML in October 01, 2002. The investment objective of the Scheme is to provide the investors an opportunity to invest in overnight securities maturing on the next business day. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved. The scheme doesn't assure or guarantee any returns. As a part of the investment philosophy, the fund will majorly invest in TREPS. The fund's assets under management (AUM) stood at ₹15,477 crore as on April 30, 2024.

#### **SBI Savings Fund:**

SBI Savings Fund is an open-ended debt scheme launched by SBI FML in July 19, 2007. The investment objective is to provide the investors with an opportunity to invest in money market instruments. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns. The fund's assets under management (AUM) stood at ₹22,979 crore as on April 30, 2024.

#### **SBI Short-term Debt Fund:**

SBI Short-term Debt Fund is an open-ended short-term debt scheme launched by SBI FML in July 27, 2007. The investment objective is to provide investors with an opportunity to generate regular income through investments in a portfolio comprising predominantly of debt instruments that are rated not below investment grade and money market instruments such that the Macaulay duration of the portfolio is between one year and three years. However, there is no guarantee or assurance that the scheme's objective will be achieved. The scheme does not guarantee or assure any returns. The fund's assets under management (AUM) stood at ₹12,825 crore as on April 30, 2024.

#### **SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund:**

SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund is an open-ended target maturity index fund launched by SBI FML in January 19, 2022. The investment objective of the scheme is to provide returns that closely correspond to the total returns of the securities as represented by the underlying index, subject to tracking error. However, there is no guarantee or assurance that the investment objective of the scheme will be achieved. The fund's assets under management (AUM) stood at ₹10,063 crore as on April 30, 2024.

### **About the company and industry**

#### **Industry Classification**

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Capital Markets	Asset Management Company

SBI FML, the investment manager of SBI Mutual Fund, is a joint venture between the State Bank of India (SBI), India's largest bank, and Amundi India Holding (AMUNDI), a leading European asset management company. SBI currently holds 63% stake in SBI FMPL and the 37% stake is held by AMUNDI through Amundi India Holding. SBI Mutual Fund also benefits from the brand equity of its sponsors, the SBI and AMUNDI. The AMC reported average assets under management (AAUM) at ₹9,14,365 crore (excluding domestic Fund of Funds but including Fund of Funds - Overseas) for the quarter ended March 31, 2024.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for the last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of the various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
SBI Banking and PSU Fund	-	-	-	-	-	CARE AAA mfs
SBI Corporate Bond Fund	-	-	-	-	-	CARE AAA mfs
SBI Dynamic Bond Fund	-	-	-	-	-	CARE AAA mfs
SBI Floating Rate Debt Fund	-	-	-	-	-	CARE AAA mfs
SBI Liquid Fund	-	-	-	-	-	CARE AAA mfs
SBI Magnum Low Duration Fund	-	-	-	-	-	CARE AAA mfs
SBI Magnum Ultra Short Duration Fund	-	-	-	-	-	CARE AAA mfs
SBI Overnight Fund	-	-	-	-	-	CARE A1+ mfs
SBI Savings Fund	-	-	-	-	-	CARE AAA mfs
SBI Short Term Debt Fund	-	-	-	-	-	CARE AAA mfs
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	-	-	-	-	-	CARE AAA mfs

#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1.	SBI Banking and PSU Fund	Open-Ended Debt Scheme – LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)
2.	SBI Corporate Bond Fund	Open-Ended Debt Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)
3.	SBI Dynamic Bond Fund	Open-Ended Dynamic Debt Scheme – LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)
4.	SBI Floating Rate Debt Fund	Open-Ended Debt Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (November 01, 2021)
5.	SBI Liquid Fund	Open-Ended Liquid Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
6.	SBI Magnum Low Duration Fund	Open-Ended Low Duration Debt Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)
7.	SBI Magnum Ultra Short Duration Fund	Open-Ended Ultra Short Term Debt Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)
8.	SBI Overnight Fund	Open-Ended Debt Scheme - ST	-	CARE A1+ mfs	-	1) CARE A1+ mfs (May 26, 2023)	1) CARE A1+ mfs (October 26, 2022)	-
9.	SBI Savings Fund	Open-Ended Debt Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (November 01, 2021)
10.	SBI Short-term Debt Fund	Open-Ended Short Term Debt Scheme - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (June 02, 2021)
11.	SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	Open-Ended Target Maturity Index Fund - LT	-	CARE AAA mfs	-	1) CARE AAA mfs (May 26, 2023)	1) CARE AAA mfs (December 29, 2022)	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not applicable

#### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of Instrument	Complexity Level
1	Credit Quality Rating	Simple

**Annexure-5: Lender details:** Not applicable

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

## Contact us

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### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

### Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

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