

SBI Funds Management Limited

May 27, 2022

Ratings

Scheme Name	Scheme Type	Rating ¹	Rating Action
SBI Banking and PSU Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Corporate Bond Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Dynamic Bond Fund	Open-Ended Dynamic Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Floating Rate Debt Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Liquid Fund	Open-Ended Liquid Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Magnum Low Duration Fund	Open-Ended Low Duration Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Magnum Ultra Short Duration Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Savings Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
SBI Short Term Debt Fund	Open-Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has reaffirmed the credit quality ratings 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 Savings Fund, and SBI Short Term Debt Fund. These funds are managed by SBI Funds Management Limited (SBI FML).

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

CARE Ratings' fund credit quality ratings are opinions on the overall credit quality of the specific debt mutual fund scheme. CARE Ratings' 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 fund's ability to meet the payment obligations to the investors.

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

CARE Ratings reviews the rated mutual fund schemes on an ongoing basis to support its published rating opinions. As such, the 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 Ratings generally provides one month to the asset management company (AMC) to realign the score. The credit scores of the above nine schemes have been calculated based on the portfolio outstanding as of April 30, 2022 and are within the benchmarks set by CARE Ratings.

Analytical approach

Assessment of underlying credit quality of the debt schemes.

Applicable criteria

[CARE Ratings' fund credit quality rating criteria](#)

About the funds

SBI Banking and PSU Fund: The SBI Banking & PSU Fund was launched by SBI FML in October 2009. It is an open-ended debt scheme, predominantly investing in debt and money market securities issued by banks, public sector undertakings (PSUs), public financial institutions, and municipal bodies. 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. The fund's AUM stood at ₹6,114 crore as of April 30, 2022.

SBI Corporate Bond Fund: SBI Corporate Bond Fund is an open-ended debt scheme, predominantly corporate bonds rated AA+ and above, to generate additional spread on part of their debt investments from high-quality corporate debt securities while

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE publications

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 AUM stood at ₹16,926 crore as of April 30, 2022.

SBI Dynamic Bond Fund:

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 AUM stood at about ₹2,347 crore as of April 30, 2022.

SBI Floating Rate Debt Fund: An open-ended debt scheme, investing predominantly in floating rate instruments (including fixed-rate instruments converted to floating rate exposures using swaps or derivatives). 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 AUM stood at ₹2,755 crore as of April 30, 2022.

SBI Liquid Fund: SBI Liquid Fund was launched by SBI FML in March 2007. It is an open-ended liquid scheme. 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. The fund's AUM stood at ₹58,511 crore as of April 30, 2022.

SBI Magnum Low Duration Fund: 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 12 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 AUM stood at about ₹11,673 crore as of April 30, 2022.

SBI Magnum Ultra Short Duration Fund: SBI Magnum Ultra Short Duration Fund was launched by SBI FML in May 1999. It is an open-ended ultra-short-term debt scheme, investing in instruments such that the Macaulay duration of the portfolio is between three months to six months. 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 AUM stood at ₹14,144 crore as of April 30, 2022.

SBI Savings Fund: An open-ended debt scheme, investing in money market instruments. 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 AUM stood at ₹23,656 crore as of April 30, 2022.

SBI Short-term Debt Fund: SBI Short-term Debt Fund was launched by SBI FML in July 2007. It is an open-ended short-term debt scheme, investing in instruments such that the Macaulay duration of the portfolio is between one year and three years. 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. The fund's AUM stood at ₹13,260 crore as of April 30, 2022.

About the 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 has reported average assets under management (AAUM) of ₹648,199 crore for the quarter ended March 31, 2022.

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

Complexity level of various instruments rated for this company: Annexure-4

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 AAAmfs [Triple A mfs]
SBI Corporate Bond Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Dynamic Bond Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Floating Rate Debt Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Liquid Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Magnum Low Duration Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Magnum Ultra Short Duration Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Savings Fund	-	-	-	-	-	CARE AAAmfs [Triple A mfs]
SBI Short-term Debt Fund	-	-	-	-	-	CARE AAAmfs [Triple A 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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1.	SBI Banking and PSU Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 23, 2020)	1) CARE AAA mfs (July 04, 2019)
2.	SBI Corporate Bond Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 23, 2020)	1) Provisional CARE AAA mfs (February 01, 2019) 2) CARE AAA mfs (June 07, 2019) 3) CARE AAA mfs (July 04, 2019)
3.	SBI Liquid Fund	Open-Ended Liquid Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 23, 2020)	1) CARE AAA mfs (July 04, 2019)
4.	SBI Magnum Ultra Short Duration Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 23, 2020)	1) CARE AAA mfs (July 04, 2019)
5.	SBI Short-term Debt Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (June 23, 2020)	1) CARE AAA mfs (July 04, 2019)
6.	SBI Dynamic Bond Fund	Open-Ended Dynamic	-	CARE AAA mfs	-	1) CARE AAA mfs	1) CARE AAA mfs	-

		Debt Scheme				(June 02, 2021)	(November 26, 2020)	
7.	SBI Magnum Low Duration Fund	Open-Ended Low Duration Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (June 02, 2021)	1) CARE AAA mfs (November 26, 2020)	-
8.	SBI Floating Rate Debt Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (November 01, 2021)	-	-
9.	SBI Savings Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	-	1) CARE AAA mfs (November 01, 2021)	-	-

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities

Not applicable

Annexure-4: Complexity level of various instruments rated for this company

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

Note on complexity levels of the rated instrument: 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.

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Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions, backed by knowledge and assessment provided by the company.

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 had a pivotal role to play in developing bank debt and capital market instruments, including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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