

## SBI Funds Management Limited

December 29, 2022

### Ratings

Scheme Name	Scheme Type	Rating <sup>1</sup>	Rating Action
SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	Open-ended target maturity index fund	CARE AAAMfs (Triple A mfs)	Assigned

Details of instruments/facilities in Annexure-1.

### Detailed rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has assigned the credit quality rating of 'CARE AAAMfs' (Triple A mfs) to SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund. This fund is managed by SBI Funds Management Limited.

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 or 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 the evaluation of the fund's investment strategy and portfolio credit risk. It also involves the 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 scheme 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 score of SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund scheme is on the basis of a review of the last three months' portfolio performance (including November 2022), which is within the benchmark 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 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 in January 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 ₹8,535.60 crore, as on November 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 reported average assets under management (AAUM) at ₹6,82,607 crore for the quarter ended September 30, 2022.

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

**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 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 CPSE Bond Plus SDL Sep 2026 50:50 Index 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 (May 27, 2022)	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 (May 27, 2022)	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 (May 27, 2022)	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 (May 27, 2022)	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 (May 27, 2022)	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	1) CARE AAA mfs	-

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		Debt Scheme			(May 27, 2022)	(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 (May 27, 2022)	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 (May 27, 2022)	1) CARE AAA mfs (November 01, 2021)	-	-
9.	SBI Savings Fund	Open-Ended Debt Scheme	-	CARE AAA mfs	1) CARE AAA mfs (May 27, 2022)	1) CARE AAA mfs (November 01, 2021)	-	-
10.	SBI Overnight Fund	Open-Ended Debt Scheme	-	CARE A1+mfs	1) CARE AAA mfs (October 26, 2022)	-	-	-
11.	SBI CPSE Bond Plus SDL Sep 2026 50:50 Index Fund	Open-Ended Target Maturity Index Fund	-	CARE AAAmfs	-	-	-	-

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

Not applicable

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

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

**Annexure-5: Bank lender details for this company:** 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.

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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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