

SEPTEMBER 02, 2016

CARE ASSIGNS CREDIT QUALITY RATING OF 'CARE AAAMFS' TO SBI MAGNUM INSTACASH FUND AND SBI PREMIER LIQUID FUND OF SBI FUNDS MANAGEMENT PRIVATE LIMITED

Ratings

Scheme Name	Scheme Type	Ratings ¹	Remarks
SBI Magnum Instacash Fund	Open Ended Liquid Scheme	CARE AAAMfs (Triple A mfs)	Assigned
SBI Premier Liquid Fund		CARE AAAMfs (Triple A mfs)	Assigned

Rating Rationale

CARE has assigned 'CARE AAAMfs' rating to SBI Magnum Instacash Fund and SBI Premier Liquid Fund. The fund is managed by **SBI Funds Management Private Limited**.

SBI Magnum Instacash Fund was launched by SBI Funds Management Private Limited in May, 1999. The investment objective of the scheme is to provide investors an investment opportunity to earn returns through investment in debt & money market securities, while having the benefit of very high degree of liquidity. The fund house will manage the portfolio of SBI Magnum Instacash Fund such that it meets the CARE's criteria to qualify for the credit quality rating of 'CARE AAAMfs'.

SBI Premier Liquid Fund was launched by SBI Funds Management Private Limited in March, 2007. The investment objective of the scheme is to provide attractive returns to the investors either through periodic dividends or through capital appreciation through an actively managed portfolio of debt and money market instruments. The fund house will manage the portfolio of SBI Magnum Instacash Fund 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.

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

Profile of AMC

SBI Mutual Fund was set up as a trust with State Bank of India (SBI) as the Sponsor and SBI Mutual Fund Trustee Company Private Limited as the Trustee. The trustees of SBI Mutual Fund appointed SBI Funds Management Private Limited (AMC) as the investment managers to SBI Mutual Fund. SBI Funds Management Private Limited is a joint venture between two large and well-established financial services companies - SBI and Amundi (a leading European asset management company). SBI holds 63% stake in the AMC and remaining 37% stake is held by Amundi through a wholly owned subsidiary Amundi India Holding. The AMC reported an average AUM of Rs.119,878 crore for the quarter April – June 2016.

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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 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 ratings are based on current information furnished to CARE by the issuer or obtained by CARE from sources it considers 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. CARE does not perform an audit in connection with any rating and may, on occasion, rely on unaudited information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Funds rated by CARE have paid a rating fee.

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