SBI Funds Management Private Limited

December 05, 2019

Ratings

Facilities/Instruments	Scheme Type	Rating[1]	Rating Action
SBI Capital Protection Oriented Fund Series- A (Plan 1)	Close-Ended Capital Protection Oriented Fund	CARE AAAmfs (SO) [Triple A mfs (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 2)		CARE AAAmfs (SO) [Triple A mfs (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 3)		CARE AAAmfs (SO) [Triple A mfs (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 4)		CARE AAAmfs (SO) [Triple A mfs (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 5)		CARE AAAmfs (SO) [Triple A mfs (Structured Obligation)]	Reaffirmed
SBI Capital Protection Oriented Fund Series- A (Plan 6)		CARE AAAmfs (SO) [Triple A mfs (Structured Obligation)]	Reaffirmed

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has reaffirmed the rating of 'CARE AAAmfs (SO)' [Triple A mfs (Structured Obligation)] assigned to SBI Capital Protection Oriented Fund – Series A (Plan 1 to Plan 6) of SBI Mutual Fund. The fund is managed by SBI Funds Management Private Ltd. (AMC).

CARE's capital protection oriented fund ratings are not recommendations to buy sell or hold a fund or scheme. These ratings do not comment on the volatility of net asset value (NAV) of the scheme or the level of NAV compared with the face value during the tenure of the scheme any time before maturity. The ratings are valid only for the maturity of the scheme.

The investment objective of the Scheme is to seek capital protection by investing a portion of the portfolio in highest rated debt securities and money market instruments and also to provide capital appreciation by investing the balance in equity and equity related securities.

The scheme is structured such that the investments in the debt component required for capital protection shall be of such proportion that its value on scheme maturity date less AMC expenses will be greater than or equal to face value of the units subscribed by the investors. The investment in debt security required for capital protection shall be in the form of government securities or securities rated as 'CARE AAA' or equivalent, thereby ensuring highest credit quality.

To assess the debt component of the portfolio, CARE takes into account the default risk, reinvestment risk and other risks. CARE then estimates the likelihood of a shortfall in the NAV with respect to the face value of the units of the scheme on maturity. CARE reviews the rated mutual fund scheme on an ongoing basis to support its published rating opinions.

The rating is based on the structure and 'Representation and Warranties' given by SBI Funds Management Private Ltd. that it will manage the portfolio of SBI Capital Protection Oriented Fund – Series A (Plan 1 to Plan 6) such that it meets CARE's criteria to qualify for the capital protection oriented fund rating of 'CARE AAAmfs (SO)'.

Analytical Approach: CARE has assessed the underlying portfolio of the schemes which provides adequate maturity value of the debt portion to protect the initial capital collected for these schemes.

Applicable Criteria: CARE's Methodology for Capital Protection Oriented Schemes

About the Company

SBI Funds Management Company Ltd. is a private limited company incorporated on 7thFebruary 1992. It has been appointed as the Asset Management Company (AMC) of the SBI Mutual Fund. It is a joint venture between the State Bank of India holding 63% and AMUNDI, a European asset management company holding 37% in SBI Funds Management Private Limited as on March 31, 2018. The quarterly average asset under management of the company as on September 2019 is Rs. 320662.84 crore.

Status of non-cooperation with previous CRA: Not Applicable
Any other information: Not Applicable
Rating History for last three years: Please refer Annexure-2

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

Annexure-1: Details of Instruments/Facilities:

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
SBI Capital Protection Oriented Fund Series- A (Plan 1)	-	-	-	-	CARE AAAmfs (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 2)	-	-	-	-	CARE AAAmfs (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 3)	-	-	-	-	CARE AAAmfs (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 4)	-	-	-	-	CARE AAAmfs (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 5)	-	-	-	-	CARE AAAmfs (SO)
SBI Capital Protection Oriented Fund Series- A (Plan 6)	-	-	-	-	CARE AAAmfs (SO)

Annexure-2: Rating History of last three years:

Sr. No	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1	SBI Capital Protection Oriented Fund – Series A (1)	Close Ended Capital Protection Oriented Fund	-	CARE AAA mfs (SO)	-	1) CARE AAA mfs (SO) (06-Dec-18)	-	-
2	SBI Capital Protection Oriented Fund – Series A (2)	Close Ended Capital Protection Oriented Fund	-	CARE AAA mfs (SO)	-	1) CARE AAA mfs (SO) (06-Dec-18)	-	-
3	SBI Capital Protection Oriented Fund – Series A (3)	Close Ended Capital Protection Oriented Fund	-	CARE AAA mfs (SO)	-	1) CARE AAA mfs (SO) (11-Mar-19)	-	-
4	SBI Capital Protection Oriented Fund – Series A (4)	Close Ended Capital Protection Oriented Fund	-	CARE AAA mfs (SO)	-	1) CARE AAA mfs (SO) (11-Mar-19)	-	-
5	SBI Capital Protection Oriented Fund – Series A (5)	Close Ended Capital Protection Oriented Fund	-	CARE AAA mfs (SO)	1) CARE AAA mfs (SO) (27-Jun-19)	-	-	-
6	SBI Capital Protection Oriented Fund – Series A (6)	Close Ended Capital Protection Oriented Fund	-	CARE AAA mfs (SO)	1) CARE AAA mfs (SO) (27-Jun-19)	-	-	-

Note on complexity levels of the rated instrument: *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*

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About CARE Ratings:
CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.