

SBI Funds Management Pvt. Ltd

December 06, 2018

Ratings

Scheme Name	Rating ¹	Rating action
SBI Banking & PSU Fund	CARE AAAMfs [Triple A mfs]	Assigned

Details of instruments/facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

CARE has assigned the credit quality rating of 'CARE AAAMfs' (Triple A mfs) to SBI Banking & PSU Fund. The fund is managed by SBI Funds Management Pvt. Ltd.

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

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 fund's 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.

Analytical approach: Assessment of underlying credit quality of the debt scheme

Applicable Criteria

[CARE's Fund Credit Quality rating Criteria](#)

About the fund**SBI Banking & PSU Fund:**

SBI Banking & PSU Fund was launched by SBI Funds Management Pvt Ltd in October 2009. It is an open-ended debt scheme predominantly investing in debt & money market securities issued by Banks, Public Sector Undertakings, 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, Public Sector Undertakings, Public Financial Institutions and Municipal bodies. The fund's assets under management stood at Rs.1,451.91 crore as on November 30, 2018.

Profile of AMC

SBI Funds Management Private Limited (SBI FMPL), the investment manager of SBI Mutual Fund is a joint venture between 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, State Bank of India and AMUNDI. The AMC had average assets under management (AUM) of Rs.2,53,828.78 crore for quarter June – September 2018. Mr. Ashwani Bhatia is the Chief Executive Officer and Managing Director of SBI Funds Management Pvt. Ltd. and he is supported by a team of experienced professionals.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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.

¹ Complete definitions of the ratings assigned are available at www.careratings.com

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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.

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.

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 Banking & PSU Fund	-	-	-	-	CARE AAAmfs

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
		Type	Amount Outstanding (Rs. crore)	Rating			
1.	SBI Short Term Debt Fund	Open Ended Debt Scheme	-	CARE AAAmfs	CARE AAAmfs (5-Jul-18)	CARE AAAmfs (17-Jul-17)	CARE AAAmfs (12-Jul-16)
2.	SBI Liquid Fund (Erstwhile SBI Premier Liquid Fund)	Open Ended Liquid Scheme	-	CARE AAAmfs	CARE AAAmfs (5-Jul-18)	CARE AAAmfs (5-Sep-17)	CARE AAAmfs (2-Sep-16)
3.	SBI Magnum Ultra Short Duration Fund (Erstwhile SBI Magnum InstaCash Fund)	Open Ended Debt Scheme	-	CARE AAAmfs	CARE AAAmfs (5-Jul-18)	CARE AAAmfs (5-Sep-17)	CARE AAAmfs (2-Sep-16)
4.	SBI Banking & PSU Fund	Open Ended Liquid Scheme	-	CARE AAAmfs	-	-	-

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