

UTI Mutual Fund

June 23, 2020

Ratings:

Scheme Name	Scheme Type	Rating ¹	Rating Action
UTI Overnight Fund	Open Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
UTI Short Term Income Fund	Open Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed
UTI Treasury Advantage Fund	Open Ended Debt Scheme	CARE AAAmfs [Triple A mfs]	Reaffirmed

Details of instruments/facilities in Anneuxre-1

Detailed Rationale:

CARE has reaffirmed the credit quality ratings assigned to UTI Overnight Fund, UTI Short Term Income Fund and UTI Treasury Advantage Fund. This fund is managed by UTI Asset Management Company Limited .

Schemes rated 'CARE 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 generally provides one month to the asset management company (AMC) to realign the score. The credit score of the above Three schemes are on the basis of May 2020 portfolio which is within the benchmark set by CARE.

Analytical Approach: Assessment of Underlying Credit Quality of the Debt Schemes

Applicable Criteria:

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

About the Fund:

UTI Overnight Fund was launched by UTI Asset Management Company Limited in November 2003. The primary objective of the scheme is to generate reasonable income, with low risk and high level of liquidity from a portfolio of overnight securities having a maturity of one day. However, there can be no assurance that the investment objective of the scheme will be realized. The fund's assets under management was at Rs.4,898.72 crore as on May 31, 2020.

UTI Short Term Income Fund was launched by UTI Asset Management Company Limited in June 2003. The investment objective of the scheme is to generate reasonable income, with low risk and high level of liquidity from a portfolio of debt & money market instruments. The fund's assets under management was at Rs.1,455.62 crore as on May 31, 2020.

UTI Treasury Advantage Fund was launched by UTI Asset Management Company Limited in July 1999. The investment objective of the scheme is to generate reasonable income for its investors consistent with high liquidity by investing in a portfolio of debt & money market instruments. The fund's asset under management was at Rs.1,790.33 crore as on May 31, 2020

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

Profile of Mutual Fund & AMC:

UTI Mutual Fund which has been established as a Trust under the Indian Trusts Act, 1882 with State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India as the sponsors. UTI Asset Management Company Limited, incorporated under the Act, 1956 is the AMC to the fund. The AMC reported an average AUM of Rs.1,51,513 crore for the quarter January - March 2020.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Rate	Size of the Issue (Rs. Crore)	Rating assigned along with Rating Outlook
UTI Overnight Fund	-	-	-	-	CARE AAAMfs [Triple A mfs]
UTI Short Term Income Fund	-	-	-	-	CARE AAAMfs [Triple A mfs]
UTI Treasury Advantage Fund	-	-	-	-	CARE AAAMfs [Triple A mfs]

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 2020-2021	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	UTI Overnight Fund	Open-Ended Debt Scheme	-	CARE AAAMfs	-	1) CARE AAAMfs (04-Jul-19) 2) CARE AAAMfs (15-Nov-19)	CARE AAAMfs (12-Dec-18)	-	-
2	UTI Short Term Income Fund	Open-Ended Debt Scheme	-	CARE AAAMfs	-	1) CARE BBBmfs (28-Jun-19) 2) CARE BBBmfs (18-Sep-19) 3) CARE AAAMfs (15-Nov-19)	CARE AAAMfs (06-Jul-18)	CARE AAAMfs (07-Jul-17)	CARE AAAMfs (15-Jul-16)
3	UTI Treasury Advantage Fund	Open Ended Debt Scheme	-	CARE AAAMfs	-	1) CARE BBB+mfs (30-Jul-19) 2) CARE AAAMfs (15-Nov-19)	CARE AAAMfs (06-Jul-18)	CARE AAAMfs (07-Jul-17)	CARE AAAMfs (15-Jul-16)

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.

Disclaimer

CARE's 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. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and 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. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

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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